APPENDIX E.I – BUSINESS AND FUNCTIONAL REQUIREMENTS

Requirements	Supplier Response	Comments
4.1.1MMIS Fiscal Agent Business Operations Support	**Yes/No/ Future**	
4.1.1.1 Claims Services		
1. Does the Offeror agree to establish and follow procedures in order to maintain, receive and process all paper payment requests, related attachments, and other miscellaneous mail and documentation, to include the following: • Establish and maintain a comprehensive procedure manual; • Include procedures for all steps required to account for and process payment requests within DMAS specified SLAs; • Include procedures for the return of paper payment requests to providers with missing key fields per DMAS' guidelines; • Develop special handling procedures for Temporary Detention Orders (TDOs) and Emergency Custody Orders (ECOs) per DMAS' guidance; and • Seek the approval by DMAS for all procedure changes? Describe the approach.		
2. Does the Offeror understand that payment request is a generic term that includes claims and encounters, as well as original, adjustment, and void transactions?		
3. Currently, DMAS identifies and annotates special processing needs for paper claims as warranted. Does the Offeror understand the need to identify and adhere to special procedures to handle special payment request types provided from DMAS to include the following: • Set indicators related to TDO; • Set indicators related to ECO; and • Set indicators for special batch processing, as requested? Describe the approach.		
4. Does the Offeror agree to scan, image and store all paper payment requests and other related attachments in a retrievable image to include the following:		

	Requirements	Supplier Response	Comments
	• Scanned image is of readable quality; • Scanned image includes all data and the claim form; • Original paper payment request is retained for twenty (20) business days and is replaced with the scanned image; • Scanned image is maintained as the permanent record in an easily retrievable format; • A unique Internal Control Number (ICN) is assigned to each payment request at time of imaging; • The same unique ICN assigned to the claim image is also assigned to all related documents (attachments); • The ICN consists of sixteen characters representing the century (CC), year (YY), Julian day (JJJ), media (M), sequence number (NNNNNN) and claim line number (LL); • The Julian date represents the date the claim is received; and • No duplication of the ICN occurs at any time? Describe the approach.		
5.	Does the Offeror agree to enter paper payment request information and other related documents for processing by the claims processing system to include the following: • Perform comprehensive payment request data capture; and • Ensure one hundred percent (100%) accuracy related to data capture? Describe the approach.		
6.	Given the inherent costs and high risk for errors related to paper payment requests, DMAS is interested in encouraging as many providers as possible to submit claims electronically. Does the Offeror agree to perform outreach to providers for the purpose of getting more providers to submit electronic claims? Describe the approach.		
7.	Does the Offeror agree to establish and provide daily operational reports based on DMAS specifications and agree to work with DMAS to identify meaningful data required and frequency of report submission? Describe the approach.		
8.	Does the Offeror agree to monitor and report quality control and quality assurance (QA) findings to include the following:		

		Requirements	Supplier Response	Comments
		• Create and implement a detailed QA plan for the Claims Services Unit; • Report issues resulting in a cost impact to provider payments to DMAS; • Report issues related to increased or decreased incoming claims volume; • Report issues related to machine malfunction; • Support DMAS' efforts to conduct monitoring of the Claims Services Unit; • Develop a corrective action plan in accordance with DMAS' guidance; and • Respond to and resolve DMAS' inquiries within five (5) business days? Describe the approach.		
9.		Does the Offeror agree to resolve pended claims using DMAS-approved procedures, which include the following activities: • Correct data entry errors or resubmit claims that have data entry errors and report to DMAS for review; • Review claims attachments for additional information needed to resolve the claims; • Transfer pended claims to the appropriate Contractor or DMAS location; • Enter pend resolution remarks to annotate error resolution; • Manually price a procedure or service; and • Pay or deny claims using an explanation of benefits (EOB), deny, or override code? Describe the approach.		
10.		Does the Offeror agree to manage and monitor the pend resolution function to include the following: • Maintain a secure table that defines user pend locations; • Adjust operational activities, as defined by DMAS; • Review pend resolution management reports and take necessary corrective action to meet DMAS' standards;		

		Requirements	Supplier Response	Comments
		• Establish, monitor and report quality assurance procedures and findings for pend resolution operations; and • Make recommendations for changing edit criteria to reduce the number of pends and error locations? Describe the approach.		
11.		Does the Offeror agree to establish and maintain DMAS-approved Health Care Assessment processing procedures to include the following: • Image all Health Care Assessment forms received; • Enter all Health Care Assessment forms online into the MMIS using the Assessment Application screens; • Enroll all non-enrolled persons receiving assessment or screening services into the MMIS according to DMAS policy: • Mail all Assessment TADs to appropriate screening providers seeking additional information as needed; • Image all returned Assessment TADs received and enter related information into the MMIS; • Monitor aged Assessment TADs to ensure all are returned for use in the MMIS; • Prepare Daily Log Report of all Assessment forms and Assessment TADs received for DMAS reporting; • Route all rejected forms that cannot be entered into the MMIS to DMAS for correction; and • Accept online/electronic assessments and process according to established business rules? Describe the approach.		
		4.1.1.2 Financial Services	**Yes/No/ Future**	
12.		Does the Offeror agree to receive and process returned MMIS checks that were undeliverable to providers or payees to include the following activities: • Maintain a Returned MMIS Check Log that will ensure all items are monitored and accounted for as checks are processed; • Send checks and check log to PES within 48 hours to determine		

		Requirements	Supplier Response	Comments
		the correct address for any returned provider check. The PES Contractor will update the provider's MMIS address, if possible. The PES will return the updated check log to the Contractor with all address resolutions. The Contractor will resend the check to the corrected address; • Receive from PES an updated check log with addresses that cannot be determined. Contractor will void the check according to DMAS guidelines; and • Maintain a separate check log for each type of payee check and forward logs, checks and any supporting documentation to DMAS Fiscal Division? Describe the approach.		
13.		Does the Offeror agree to receive and process MMIS checks that are returned by the provider or payee to include the following activities: • Maintain a Returned MMIS Check Log that will ensure all items are monitored and accounted for as checks are processed; • Void all MMIS checks returned from providers or payees based on their directions and/or instructions; • Enter corresponding void financial transactions into the MMIS ensuring all returned voided checks are recorded; and • Send Returned MMIS Check Log and corresponding documentation to DMAS, Fiscal Division within 48 hours of receipt of returned check? Describe the approach.		
14.		Does the Offeror agree to perform manual check issuance at the direction of DMAS to include the following activities: • Receive a manual check request from DMAS, Fiscal Division with proper authorization in writing; • Maintain a Manual Check Log that will account for all manual checks issued, either as a result of advanced or additional payments, or as a result of a reissued check; and • For all manual checks issued, enter into the Financial subsystem the related financial transaction and have it approved by		

		Requirements	Supplier Response	Comments
		authorized staff; and • Distribute all manual checks according to DMAS instructions (may be mailed, courier-delivered, express-delivered, or hand-delivered) within 24 hours? Describe the approach.		
15.		Does the Offeror agree to maintain and monitor all MMIS bank accounts ensuring accurate monthly banking reconciliation and annual opening and closures at DMAS' direction and to include the following activities: • Prepare and document MMIS bank account(s) monthly activity including Cashed Checks, Deposits, Bank Fees and Bank Adjustments; and • Send copy of a full monthly reconciliation and all supporting documentation to DMAS by 28th of next month. The reconciliation should include: o Listing of all outstanding checks as of the bank's statement date; o Voids, stop payments or adjustments during the cycle; and o Reconciliation of outstanding checks per bank to MMIS? Describe the approach.		
16.		Does the Offeror agree to perform the distribution of weekly MMIS remittance advice (Paper or Electronic) and payment(s) (check or EFT) to providers and payees according to deadlines established by DMAS? Describe the approach.		
17.		Does the Offeror agree to perform the preparation and distribution of Annual 1099(s) and 1096(s) to providers and payees in accordance with IRS code and to include the following activities: • Notify providers and payees in writing of incorrect TIN according to IRS file; • Request waiver of penalties associated with provider and payee incorrect TIN; and • Communicate information regarding incorrect TIN and status of associated civil penalties to DMAS, Fiscal Division?		

	Requirements	Supplier Response	Comments
	Describe the approach.		
	4.1.1.3 Recipient Services	**Yes/No/ Future**	
18.	Does the Offeror agree to develop and maintain ID Card procedures based on the RS-F-010 file created by the MMIS that includes the following: • First-time and reinstated enrollees whose benefit plans require a card; • Enrollees whose mandatory card information (gender, name, or date of birth) has changed; • Enrollees whose card has been lost, stolen, or destroyed; and • For a few select benefit plans, enrollees who have a change in eligibility or benefits? Describe the approach.		
19.	Does the Offeror agree to produce ID cards according to the specifications in Section 4.1.1.3? Describe the approach.		
20.	Does the Offeror agree to issue ID cards to the enrollees based on the following established mailing criteria: • Mail ID Cards to the enrollee within one business day of file generation; • Utilize nine-digit ZIP codes/sorting, bar coding, or other Postal Service requirements to ensure best postal rates; • Process cards and letters using National Change of Address (NCOA) standards; and • Produce merge mailings and household all mailings based on DMAS' established criteria? Describe the approach.		
21.	Does the Offeror agree to manage and process returned mail for ID cards per DMAS' specifications below: • Validate current address and re-mail as needed; • Cancel coverage when appropriate; and		

	Requirements	Supplier Response	Comments
	• Forward returned ID cards to DMAS when unable to take action? Describe the approach.		
22.	Does the Offeror agree to develop and establish a comprehensive quality assurance plan that ensures the accurate and timely production and issuance of ID cards in support of the SLAs in this Contract? Describe the approach.		
23.	Does the Offeror agree to identify potential process improvements that could lead to cost savings for the COV and share these with DMAS? Describe the approach.		
24.	Does the Offeror agree to submit monthly invoices with supporting documentation for postage reimbursement costs?		
25.	Does the Offeror agree to collaborate and seek DMAS' approval for a Scope of Work for services prior to outsourcing or entering into a contract to outsource the production and issuance of ID cards?		
	4.1.1.4 Pharmacy Services	**Yes/No/ Future**	
26.	Does the Offeror agree to provide a 24 x 7 Pharmacy Help Desk to assist with the following types of calls: • POS transmission errors; • Claim reversal when not received; and • After normal business hours, POS claim questions (e.g., coverage, limits, status, denial reasons)? Describe the approach.		
27.	Does the Offeror agree to maintain POS transaction Companion Guides on the DMAS Medicaid Web Portal and any other related Pharmacy Program information requested by DMAS?		
28.	Does the Offeror agree to train the Pharmacy Help Desk on DMAS requirements? Describe the approach.		
29.	Does the Offeror agree to provide all authorized DMAS users with training and on-going technical support on the proposed ad hoc reporting application? Describe the approach.		
30.	Does the Offeror agree to provide at least one dedicated pharmacist licensed in the COV, and a member of NCPDP either through a corporate or individual membership, to perform the following functions in support of		

		Requirements	Supplier Response	Comments
		drug claims processing; PRODUR, RetroDUR, provider profiling, ad hoc reporting, lead DUR Board meetings, and attend Pharmacy & Therapeutics (P&T) Committee meetings?		
31.		Does the Offeror agree to make system changes and update pharmacy benefits in the MMIS to meet the requirements of the DUR Board, P&T Committee and DMAS in the timeframe specified by the entities? The turnaround time is typically 2-3 months. Describe the approach.		
32.		Does the Offeror agree to review weekly First DataBank communications (currently received via email in a document named First DataBank Highlights) and advise DMAS of potential impacts to the Pharmacy Programs? Describe the approach.		
33.		Does the Offeror agree to advise First DataBank that a DMAS representative(s) is approved to call to request information and clarification of the drug data purchased for the Virginia Medicaid account?		
34.		Does the Offeror agree to research, coordinate, and resolve drug claims processing problems identified by providers, DMAS, and the Contractor, and take appropriate corrective action that includes reprocessing payment requests as a result of problems? Describe the approach.		
35.		Does the Offeror agree to support quality assurance reviews of drug claims processing functions; adjust procedures, as necessary; and follow defined processes? Describe the approach.		
36.		Does the Offeror agree to maintain an electronic record documenting a synopsis of all calls and provide a complete record of all communications to the Pharmacy Help Desk from providers and other interested parties? Describe the approach.		
37.		Does the Offeror agree to advise DMAS of new PRODUR alerts that should be added resulting from new products entering the market or any market changes? Describe the approach.		
38.		Does the Offeror agree to advise DMAS of drug products coming off patent where a potential cost savings may be achieved? Describe the approach.		
39.		Does the Offeror agree to update PRODUR alert criteria and authorized outcomes as approved by DMAS?		
40.		Does the Offeror agree to write DUR Board meeting minutes and distribute to a designated person or group?		
41.		Does the Offeror agree to facilitate and support the expansion of DUR Board review activities such as Behavioral Health?		

	Requirements	Supplier Response	Comments
42.	Does the Offeror agree to manage the operational functions for RetroDUR reporting including developing and maintaining DMAS-approved RetroDUR therapeutic criteria, and running quarterly reports and profiles? Describe the approach.		
43.	Does the Offeror agree to provide qualitative and quantitative analysis of impact of the RetroDUR program? Describe the approach.		
44.	Does the Offeror agree to consult DMAS on review panel composition and allow DMAS to determine composition if necessary?		
45.	Does the Offeror agree to be responsible for acquiring and making payment to the review panel?		
46.	Does the Offeror agree that under the review panel direction, the panel is responsible to assess all DUR profiles as determined necessary by the DUR Board for all Virginia Medicaid Pharmacy related DUR programs?		
47.	Does the Offeror agree to identify potential improvements and initiatives to DMAS that could lead to improving drug therapy and/or cost savings for the COV, improvements for providers of services, or other positive changes? Describe the approach.		
48.	Does the Offeror agree to develop new DUR initiatives to ensure the proper use of medications? Describe the approach.		
49.	Does the Offeror agree to compile all Pharmacy Program statistics required by the General Assembly, which will change from time to time? Describe the approach.		
50.	Does the Offeror agree to prepare pharmacy ad hoc report programs that can be modified and used by DMAS? Describe the approach.		
51.	Does the Offeror agree to assist with the development and maintenance of DMAS pharmacy programs as they relate to RetroDUR and PRODUR and run ad hoc reports as requested by DMAS?		
52.	Does the Offeror agree to produce, review, and present outlier quarterly provider profiles with suggested letters, exception detail reports, response sheets, and provider report cards based on criteria and parameters defined by DMAS? Describe the approach.		
53.	Does the Offeror agree to mail RetroDUR and provider profiles and letters with DMAS approval and summarize responses and present to DMAS and the DUR Board?		
54.	Does the Offeror agree to maintain the PRODUR Early Refill ("ER") edit and any other PRODUR edits on behalf of DMAS, even though the prior authorizations will be performed by the PDL Contractor? Describe the		

		Requirements	Supplier Response	Comments
		approach.		
	55.	Does the Offeror agree to perform regular reporting of PRODUR program results, including cost savings? Describe the approach.		
	56.	Does the Offeror agree to maintain and enhance criteria for dose optimization; perform regular reporting of program results, including cost savings, even though prior authorizations will be contracted through the PDL Contractor? Describe the approach.		
	57.	Does the Offeror agree to maintain and enhance maximum quantity limits edits as currently defined in the maximum quantity limits program and perform regular reporting of program results, including cost savings? Describe the approach.		
	58.	Does the Offeror agree to maintain and enhance the monitoring of the high dollar billing review process identifying and reviewing claims over a relevant dollar amount as designated by DMAS, research and correct any billing errors with physicians and pharmacy providers, perform regular reporting of program results including cost savings? Describe the approach.		
	59.	Does the Offeror agree to prepare comprehensive reporting consistent with standards and deliverables supporting the various Virginia Medicaid pharmacy programs?		
	60.	Does the Offeror agree to develop and make available web-based information to aid providers and recipients in understanding and complying with the PRODUR and program requirements?		
	61.	Does the Offeror agree to produce and coordinate a comprehensive Pharmacy Program annual report to include all aspects managed by the Offeror with input as directed by DMAS from other contractors supporting other components of the pharmacy programs?		
	62.	Pharmacy providers will submit and re-submit denied claims. In many instances, if the claim is not corrected, the pharmacy provider may submit the claim numerous times, each time costing COV processing fees. Does the Offeror agree to manage and control the repeated submission of these pharmacy claims to minimize processing costs? Describe the approach.		
	63.	Does the Offeror agree to notify DMAS in accordance with the SLAs for any unexpected POS downtime to be followed by a root cause analysis and corrective action plan?		

	Requirements	Supplier Response	Comments
	4.1.1.5 EDI	**Yes/No/ Future**	
64.	Does the Offeror agree to define, acquire, implement and maintain the staff, infrastructure, procedures, and processes that are required to support EDI to include the following: • Establish the Fiscal Agent Technology platform with the software, hardware, security, controls, and documentation required to support EDI; • Develop, implement, and maintain a staffing plan to address the EDI support functions; • Develop, maintain, and implement an operations procedures manual detailing all procedures and functions to be used by the EDI Support Unit, including procedures for complaint tracking, handling, reporting and resolution; • Establish quality control procedures and monitoring schedules to ensure operational efficiencies of all systems and related functions. The objective will be to improve system performance and its maintenance, while performing at a level consistent with SLAs; • Develop a program for DMAS approval to conduct outreach and education activities to address providers who are not using EDI and other opportunities to expand the use of EDI; • Provide a weekly status report that includes information regarding the EDI support activities, including production volumes, compliance errors encountered, service center contacts, problems, issues, and other information in a format approved by DMAS; and • Support the activities of the DMAS Contract Monitor, including but not limited to providing access to the Contractor's facility, equipment, staff, EDI files, and anything else necessary to monitor the Contractor's SLA performance? Describe the approach.		
65.	Does the Offeror agree to receive, process, and create all EDI transactions and files that are part of the MMIS and to include the following activities:		

		Requirements	Supplier Response	Comments
		• Receive inbound files via FTP and Connect:Direct in order for the data to be translated and routed for processing by the MMIS; • Send a 997 file acknowledgement for all X12 transmissions received; • Create outbound transmissions by translating files received from the MMIS and route to service centers via FTP; • Establish appropriate controls over all inbound and outbound transactions, including assigning a unique Internal Control Number (ICN) to all claims and encounters; • Transmit and receive non-standard encounter and report files to the MCOs; • Ensure transmissions received and sent are by approved service centers; and • Ensure transmissions are processed according to approved schedules and that any problems with production data are addressed to ensure timely processing? Describe the approach.		
66.		Does the Offeror agree to acquire the current version of the Sybase Inc. software being used for compliance checking, transaction translation, and other EDI support functions, and to take over and maintain the customized software used in production?		
67.		Does the Offeror agree to maintain HIPAA compliance for all covered EDI transactions and to ensure the standard transactions that are supported but not mandated by HIPAA are in compliance with the X12 standards? Describe the approach.		
68.		Does the Offeror agree to provide EDI technical and customer support for DMAS, service centers, and other stakeholders to include the following activities: • Provide a software test environment that allows for end-to-end testing with potential trading partners; • Test and implement updated versions of software as updates become available; • Provide a toll-free number and e-mail support to providers, service centers, DMAS, and other stakeholders; • Provide support staff during normal business hours; • Provide and maintain documentation posted on the DMAS		

	Requirements	Supplier Response	Comments
	Medicaid Web portal for EDI enrollment, environment access, and transaction transmission policies and procedures for service centers, including companion guides that supplement standard implementation guides; • Assist service centers with file transfers, enrollment, testing, and authorization activities; and • Follow-up with service centers that receive compliance errors and assist as needed with identifying any problems and corrections? Describe the approach.		
	4.1.1.6 Other Business Operations Services	**Yes/No/ Future**	
69.	Does the Offeror agree to process and mail all letters and outputs not otherwise specified in previous Business Operations Services sections based on established mailing criteria below: • Mail within one business day of generation; • Utilize nine-digit ZIP codes/sorting, bar coding, or other Postal Service requirements to ensure best postal rates; • Process letters and outputs using National Change of Address (NCOA) standards; and • Produce merge mailings and household all mailings based on DMAS' established criteria? Describe the approach.		
70.	Does the Offeror agree to process any returned mail including, but not limited to, EOMBs with comments that should be forwarded to the DMAS Provider Review Unit (PRU)? Describe the approach.		
71.	Does the Offeror agree to perform review and balancing of system outputs and reports to ensure they are produced on schedule and accurately, and to detect any aberrations that may indicate production problems? Describe the approach.		
	4.1.2 Fiscal Agent Applications Support	**Yes/No/ Future**	
72.	Does the Offeror agree to perform the following services for all MMIS subsystems and other applications: • Provide support services for all MMIS components as they are turned over and subsequently modified during the Operations		

	Requirements	Supplier Response	Comments
	Phase;		
	• Ensure processing results post correctly so that updated data are available to DMAS and other users;		
	• Manage the production schedule for all subsystem reports and files and ensure posting of reports to the document-management application;		
	• Keep the production schedule current and submit to DMAS at required intervals;		
	• Apply controls over all transactions during all processing cycles;		
	• Provide production support such as resolving system abends;		
	• Obtain and maintain licenses to operate designated proprietary software as required;		
	• Ensure sufficient capacity to meet SLAs;		
	• Where necessary, perform manual data entry to update subsystem information such as parameters, benefit information, and value sets from DMAS worksheets or by DMAS request;		
	• Interface with and support external contractors and business partners who send inputs and receive outputs, including testing file changes;		
	• Incorporate quality control into all business functions;		
	• Research, coordinate, and resolve system problems, and take appropriate corrective action;		
	• Support and perform quality-assurance reviews on system functions and make adjustments to procedures as necessary following DMAS-defined processes;		
	• Identify potential improvements, using a business process improvement methodology, to DMAS that could lead to cost savings for the COV, improvements for providers of services, or other positive changes;		
	• Maintain and, at DMAS direction, modify application components such as tables, files, programs, screens, and system documentation as a result of policy changes, legislation, administrative efficiencies, or user need using the approved Change Management (CM) methodology;		
	• Report and resolve systems and production problems as soon as possible;		
	• Provide Ad Hoc Reporting as requested through the ISR process?		

		Requirements	Supplier Response	Comments
		Describe the approach.		
73.		Does the Offeror agree to perform the following services for the Reference Subsystem: • Perform timely, mass updates on medical and administrative codes data when directed to do so by DMAS Management; • Contract with FirstDataBank to purchase current product; and • Perform weekly drug code updates? Describe the approach.		
74.		For the Provider and Recipient Subsystems, does the Offeror agree to support use of United States Postal Service certified address verification software to ensure address standardization and validity in order to reduce postage cost? At a minimum, the software should add missing address information, standardize city names and state abbreviations, correct misspelled address elements, and append Zip+4? Describe the approach.		
75.		Does the Offeror agree to perform the following services for the Recipient Subsystem: • Perform manual data entry to update service and benefit information from DMAS worksheets or by DMAS request; and • Distribute eligibility and enrollment report files? Describe the approach.		
76.		Does the Offeror agree to perform the following services for the Claims Processing Subsystem: • Establish control over all inputs from the time of receipt, including assigning a unique control number; • Acquire a license and support agreement from McKesson Health Solutions for ClaimCheck®; • Maintain and update current versions of ClaimCheck® software and knowledgebase; • Upload customization changes made by DMAS to the ClaimCheck® knowledgebase;		

		Requirements	Supplier Response	Comments
		• Research and resolve claims-processing issues that are identified by DMAS, such as through the DMAS Provider Help Desk; • Immediately upon learning of subsystem problems that resulted or have the potential to result in overpayments or underpayments, notify DMAS with claims detail and the recommended recovery procedure; and • When Contractor-staff intervention is needed to resolve payment-request adjudication and pricing issues (because MMIS-user functionality cannot do so because of reasons such as parameters available on screens do not match data elements needed for selection), select and correctly reprocess the payment requests following DMAS direction? Describe the approach.		
77.		Does the Offeror agree to perform the following services for the Prior Authorization Subsystem: • Accept and process electronic PA request files from the PA vendor multiple times per day (currently 3 and subject to change, real-time preferred); • Apply transaction edits as approved by DMAS; • Track, research, and resolve PA contractor-reported transmission problems through an established process and provide a 24-hour FA Contractor Help Desk for transmission-problem resolution; • Notify DMAS immediately upon learning of improper processing of prior authorizations, and document reprocessing and recovery procedures within one week after discovery? Describe the approach.		
78.		Does the Offeror agree to perform the following services for the Drug Subsystem: • Use and maintain a call-tracking system to support the Pharmacy Help Desk; • Notify DMAS immediately upon learning of overpayments with claims detail and document recovery procedure in conformance with SLAs;		

		Requirements	Supplier Response	Comments
		• Reprocess and rectify all overpayments in conformance with SLAs; • In the current format or a DMAS-approved format and in the current time span, accept and process PA transactions sent from other contractors; • Create all interface extracts needed to support existing or replacement COTS packages; • Provide extracts in the format dictated by the DRS Contractor; • Provide the interfaces and allow queries necessary for the PDL program to function as currently operated with flexibility for future enhancements; • In support of new PRODUR criteria and program enhancements, implement the technical changes necessary to meet the DUR Board or DMAS requirements; • Obtain licenses to operate designated proprietary software or replace COTS packages with equal or greater functionality for RetroDUR, Provider Profiling, and ad-hoc reporting; • Provide a Retrospective Drug Utilization Review (RetroDUR) solution that is a criterion-driven reporting application with standard and ad-hoc reports; • Modify RetroDUR criteria as directed by the DUR Board or DMAS; • Provide a Provider Profiling solution that is a criterion-driven reporting application with standard and ad hoc reports; • Modify Provider Profiling criteria as directed by the DUR Board or DMAS; • Provide an ad hoc reporting solution that is a criterion-driven reporting application that is flexible for developing standard and ad hoc queries based on DMAS' reporting and clinical-evaluation needs; • Prepare and store ad hoc reports that can be accessed and run by DMAS users; and • Provide DMAS with ten (10) licenses and training with the proposed ad hoc reporting application? Describe the approach.		
79.		Does the Offeror agree to perform the following services for the Assessment Subsystem:		

		Requirements	Supplier Response	Comments
		• Support XML electronic assessment submission process; and • Generate turnaround document (TAD) payments based on assessments? Describe the approach.		
80.		Does the Offeror agree to perform the following services for the Financial Subsystem: • Ensure that all disbursements to providers and other DMAS-directed payees are rendered according to state and federal guidelines and generally accepted accounting principles; • Ensure all financial reports associated with the weekly payment cycle are generated, balanced, and available in the document-management application; • Produce and deliver weekly disbursement file (Check/EFT) in accordance with DMAS Medicaid Zero Balance Account (ZBA) Bank file standards; and • Load and assist DMAS with QA for the annual budget process? Describe the approach.		
81.		Does the Offeror agree to perform the following services for the J-SURS Subsystem: • Acquire and provide five (5) J-SURS™ licenses, maintenance, support, and upgrades from UPI Government Group, LLC; • Establish a Business Associate Agreement with UPI Government Group, LLC for HIPAA compliance; • Perform quality assurance of the J-SURS™ extract functions, including file control balancing procedures; • Research, report, and coordinate processing problems to UPI for resolution; • Transfer all extract files to the DMAS J-SURS™ servers; • Logon to all three DMAS J-SURS™ servers using NETOPS and run the Claims History Split, Sort, Merge, and Purge processing scripts and provide licensed application clients for workstations at DMAS as needed;		

		Requirements	Supplier Response	Comments
		• Ensure secure data transmission between the MMIS and J-SURS; and • Verify the scripts have run and ensure they have balanced the J-SURS™ directory to the extracts? Describe the approach.		

82.		Does the Offeror agree to perform the following services for the Automated Response System:
		
		 • Provide a DMAS Medicaid Web Portal Help Desk that providers can call for assistance in setting up and using the ARS during normal business hours;
		 • Respond to provider inquiries in accordance with SLAs;
		 • Notify DMAS of problems associated with ARS and the steps being taken to minimize the impact on providers; and
		 • Provide software application support to provide the following activities:
		    o Ensure inquiries and responses to and from the MMIS databases occur in real time;
		    o Ensure that responses to ARS inquiries and to MediCall inquiries are synchronized using the same real-time transactions;
		    o Research, coordinate, and resolve application problems identified by providers, DMAS, and the Contractor, and take appropriate corrective actions;
		    o Maintain the Edify application to deliver data to ARS;
		    o Track, monitor, and record user statistics of transactions;
		    o Maintain a User Manual on the DMAS Medicaid Web Portal; and
		    o Maintain a web registration and user tutorial?
		
		 Describe the approach.		

83.		Does the Offeror agree to perform the following services for the MediCall System: • Provide a DMAS Medicaid Web Portal Help Desk that providers can call for assistance in setting up and using MediCall during		

		Requirements	Supplier Response	Comments

		normal business hours;
		• Respond to provider inquiries in accordance with SLAs;
		• Notify DMAS of problems associated with MediCall and the steps being taken to minimize the impact on providers; and
		• Provide software application support to provide the following activities:
		  ○ Ensure inquiries and responses to and from the MMIS databases are real-time;
		  ○ Ensure responses to EDI inquiries and to MediCall inquiries are synchronized using the same real-time transactions;
		  ○ Research, coordinate, and resolve MediCall application problems identified by providers, DMAS, and the Contractor, and take appropriate corrective actions;
		  ○ Maintain the Edify application to deliver data to MediCall;
		  ○ Track, monitor, and record user statistics of MediCall access; and
		  ○ Maintain a MediCall Frequently Asked Questions (FAQ) section on the DMAS Medicaid Web Portal.
		• Perform business operational services for the MediCall application including the following:
		  ○ Provide FA Contractor Help-Desk personnel for operator-assisted calls;
		  ○ Respond to provider inquiries according to SLA requirements; and
		  ○ Notify DMAS of problems associated with MediCall, and the steps being taken to minimize the impact on providers?
		
		Describe the approach.		

84.		Does the Offeror agree to maintain a system for comprehensive reporting to provide timely and accurate information on the administration of prior authorization programs, general operations and outcomes consistent with the standards and deliverables? Describe the approach.		
85.		SLAs are required to be effective on 7/1/2010 and DMAS will consider SLAs that are not measurable as failed. Describe the approach for ensuring measurement capabilities are ready as of the effective date for the SLA measurement process to commence.		
		4.1.2.18 DMAS Technology Applications	**Yes/No/**	

	Requirements	Supplier Response	Comments
		Future	
86.	For DMAS Technology, the FA contractor is tasked with providing support and maintenance for all DMAS agency-specific applications, data, and ad-hoc reporting needs. The Virginia Information Technologies Agency provides the technical platforms, infrastructure, and support. Coordination will be necessary between the FA contractor's staff supporting DMAS agency specific applications and VITA technical staff. Does the Offeror agree to coordinate these development efforts with VITA? Describe approach.		
87.	Does the Offeror agree to provide staffing resident at DMAS to support systems development, maintenance, analysis, systems documentation, user documentation, and reporting for agency specific applications hosted on DMAS Technology?		
88.	Does the Offeror agree to provide production support to include running the existing and proposed agency specific applications?		
89.	Does the Offeror agree to provide database administration, security administration, production control, quality assurance, printing, software support, and report/deliverable distribution within the application? Describe the approach.		
90.	Does the Offeror agree to provide application and production support outside normal business hours when required to minimize delays and downtime? Describe the approach.		
91.	Does the Offeror agree to support and maintain DMAS applications and data on the DMAS Technology, such as Oracle Government Financials, Third Party Liability & Recovery System (TPLRS), SAS, etc.?		
92.	Does the Offeror agree to provide a user-assistance function for all DMAS SAS users, to include training and support for DMAS SAS users in advanced SAS techniques? Describe the approach.		
93.	Does the Offeror agree to provide an on-line library/catalog of standardized or frequently used: 1) ad hoc queries, and 2) DMAS requested selection criteria for routine reports, including SAS reports, which can be requested and run by authorized DMAS personnel? Describe the approach.		
94.	Does the Offeror agree to provide suggestions for process improvement? Describe the approach.		

	Requirements	Supplier Response	Comments
	4.1.3 Platform Management	**Yes/No/ Future**	
95.	A secure non-email method of transferring files greater that 8MB between DMAS, FA, and MMIS Core Technology is required. Does the Offeror have a solution equal to or greater than 80K bytes/second based on the secured FTP protocol (for example, FTP VSHELL server from VanDyke) using strong encryption keys (greater than 128 bit)? Describe the solution. Additionally, if the solution requires client licenses for access, include in response the maximum number of users the solution can support.		
96.	Multiple data centers could be involved in housing technology components for the technical enterprise solution. Are the Offeror's data centers used in the solution rated as Tier III or higher as per industry definitions? Provide a summary and describe all points of non-compliance.		
97.	Does the Offeror's FA and MMIS Core Technology development standards and processes adhere to the COV Information Technology Resource Management (ITRM) standards and guidelines as defined at http://www.vita.virginia.gov/library/default.aspx?id=537? Describe all points of non-compliance and plans to remain in compliance with future standard and guideline revisions.		
98.	Based on the RFP, RFP SLAs, MMIS documentation, and COV standards, does the Offeror agree to provide MMIS Core Technology as documented in this RFP? Contractor responsibilities include, but are not limited to, the following: • Providing all hardware, software, technical operations and FA Contractor Help Desk, engineering, Contractor provided middleware and connectivity products used by Contractor staff; • Providing data backup, archive, restoration and retention required by RFP; • Providing system staffing with necessary skills to administer, support, and operate technology platforms and products required by RFP. It should be noted, 24X7 staffing for supporting the MMIS Core Technology is required.; • Furnishing all paper, tape, electronic media, and other consumable supplies for FA tasks required by RFP; • Ensuring SLAs are monitored and that FA remains in compliance;		

		Requirements	Supplier Response	Comments
		• Using only manufacturer supported COTS hardware and software product versions; • Maintaining all platform and software as per SLAs; • Providing operational and end user support, and maintaining all external system interfaces including HIPAA EDI required by RFP; and • Providing a user FA Contractor Help Desk function for MMIS users including prompt problem notification of MMIS application outages/restrictions due to MMIS Core Technology problems. Describe approach, best practices, and plans for supporting the MMIS Core Technology to include hardware and software updates and refreshes.		
99.		Based on the RFP, RFP SLAs, MMIS documentation, and COV standards, does the Offeror agree to provide the FA Technology as documented in this RFP? Contractor responsibilities include, but are not limited to, the following: • Providing all hardware, software, technical operations and FA Contractor Help Desk, engineering, contractor provided middleware and connectivity products used by contractor staff; • Providing all data telecommunications lines or network access from the contractor's Richmond facility to any other facilities required by RFP requirements. FA contractor to provide adequate bandwidth telecommunications to VITA and DMAS data centers as required by RFP; • Providing data backup, archive, restoration and retention required by RFP; • Providing system staffing with necessary skills to administer, support, and operate technology platforms and products required by RFP. It should be noted, 24X7 staffing for supporting the FA Technology may be required. • Providing after-office-hours (normal business hours are 8AM-5PM M-F) on-call support by the technical application development staff to support, monitor, and address problems on production job streams; • Furnishing all paper, tape, electronic media, and other consumable supplies for FA tasks required by RFP;		

		Requirements	Supplier Response	Comments
		• Ensuring SLAs are monitored and the FA remains in compliance; • Using only manufacturer supported COTS hardware and software product versions; • Maintaining all platform and software as per SLAs; • Providing operational and end user support, and maintaining all external system interfaces including HIPAA EDI required by RFP; and • Providing a user FA Contractor Help Desk function for MMIS users including prompt problem notification of MMIS application outages/restrictions. Describe approach, best practices, and plans for supporting the FA Technology to include hardware and software updates and refreshes.		
100.		For the MMIS Core responsibilities, routing of emails over point-to-point telecommunications circuits between DMAS and the FA are currently used to meet HIPAA security requirements. DMAS also supports Secure SMTP over Transport Layer Security (TLS) RFC 3207 over the internet. Does the Offeror agree that the proposed solution needs to include a method for secured industry standard email using strong encryption keys (greater than 128 bit) between DMAS and the FA Contractor? Describe the approach.		
101.		The Virginia Medicaid Enterprise consists of multiple platforms. Does the Offeror agree that enterprise production job scheduling will be used? Describe the product and the approach.		
102.		Agents and Contractors of DMAS will need access to applications and tools (SAS, etc.) used to support the Virginia Medicaid Enterprise. Do you agree to support and/or provide access for DMAS approved Agents and Contractors?		
103.		Does the Offeror agree to accommodate connectivity for new trading partners and to coordinate administrative registration (such as Business Associate Agreement)?		
104.		SLAs are required to be effective on 7/1/2010 and DMAS will consider SLAs that are not measurable as failed. Describe the approach for ensuring measurement capabilities are ready as of the effective date for the SLA measurement process to commence.		

	Requirements	Supplier Response	Comments
	4.1.4 Documentation Management	**Yes/No/ Future**	
105.	DMAS requires a unified (not federated) Enterprise Content Management solution with versioning capabilities and appropriate change control using IBM FileNet products. This also includes converting and transferring all existing documentation to the new solution as well as replicating existing interfaces from the MMIS to the converted documentation. Does the Offeror have a solution? If so, describe the products and the solution.		
106.	Does the Offeror agree to provide the base IBM FileNet product for use as ECM, as well as any additional component needs for the solution? Does the Offeror have a solution? If so, describe the products and the solution.		
107.	Does the Offeror agree to provide a documentation management methodology that will support tracking changes to the documentation and providing an audit trail for changes, and a method to provide documentation changes for approval prior to updating? Describe approach.		
	4.1.5 Security and Risk Management	**Yes/No/ Future**	
108.	The Takeover/Turnover section requires the successful Offeror to prepare and maintain a security plan that covers MMIS Core Technology as well as FA Technology (i.e., platform, database/COTS products, application, and network infrastructures). Does the Offeror agree to prepare, implement, and maintain a DMAS approved Security Plan that is compliant with the most stringent requirements from the standards listed below: • Section 1902 (a) (7) of the Social Security Act (SSA); • HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later); • HIPAA Privacy Rule, 45 CFR Parts 160 and 164 Standards for Privacy of Individually Identifiable Health Information; Final Rule, August 14, 2002 (or later); • COV ITRM Policy SEC500-02 dated: July 19, 2007 (revised) (or later); • COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later); and • DMAS policies?		

	Requirements	Supplier Response	Comments
	Describe the approach and all points of non-compliance.		
109.	Does the Offeror agree to provide the following for their employees as required by federal, COV and DMAS standards (listed above): • Contractor staff training (both initial and refresher courses) for security awareness (and other training); and • A Contractor training component of the appropriate safeguards that must be in place to ensure that protected health information (PHI) is properly accessed, used and disclosed? Describe the approach and all points of non-compliance.		
110.	Does the Offeror agree to provide the following as required by federal, COV, and DMAS standards (listed above): • A list of members of an onsite Intrusion Response Team, as defined COV incident response standards, and each member's qualifications and certifications for both threat analysis and forensics; • In the event of a breach, immediate access to outside experts as well as notification to DMAS? Describe the approach and all points of non-compliance.		
111.	MMIS Core as well as FA Technology platform environments (test, production and training, for example) have security applied and can be defined individually. Does the Offeror agree to provide security as it is uniquely defined and applied to all environments? Describe the approach.		
112.	Does the Offeror agree to comply with system settings to set time limits per individual user account as needed (that is, special needs users) to meet the business needs of DMAS? Describe the approach.		
113.	Currently, a limited number of system-level IDs are required for MMIS system processing (such as batch or job processing). These IDs do not have screen logon privileges in the application environments. Does the Offeror agree to provide a quarterly report to DMAS for tracking purposes on these system accounts? Describe the approach.		
114.	Currently a limited number of users require multi-session logon/access. Does the Offeror agree to provide security access that enables multi-session access for a single user as required? Describe the approach.		
115.	Does the Offeror agree to use Computer Associates CA-Access Control Facility (CA-ACF2) product and its features for the purposes of the		

		Requirements	Supplier Response	Comments
		following: • To restrict access to MMIS Core Technology data to designated, authenticated and authorized DMAS staff as well as other designated, authenticated and authorized individuals/organizations; and • To restrict through standardized system applications, data security capabilities and data access rules as defined and agreed upon by DMAS? Describe the approach.		
116.		Does the Offeror agree for the MMIS Core Technology mainframe to import current IDs and clusters defined in ACF2 and to convert them to its platform? Describe the approach.		
117.		Does the Offeror agree to provide consistent naming conventions for unique logon IDs established as well as to provide IDs and clusters as defined by DMAS? Currently, MMIS mainframe applications have a design constraint for login IDs; a 5-digit mixed character ID beginning with E or A; and a password of 8 mixed characters. Describe the approach that meets the design constraint.		
118.		Currently, some of the MMIS mainframe user names and passwords are used in real time interface record structures between COV Agencies that must be considered in order for the MMIS to function. Does the Offeror agree to retain these naming conventions for unique logon IDs? Describe the approach.		
119.		Transition of the current logon IDs into the Offeror's solution is important to the functioning of the MMIS. Describe the approach.		
120.		Does the Offeror agree that all Medicaid data belongs to DMAS, therefore, all FA applications development staff require background checks and the approval of the DMAS Security Officer? Describe the approach to obtaining DMAS approval for operational and IT staff.		
121.		Does the Offeror agree to provide DMAS' security officer(s) access to security data for the MMIS Core to perform the following functions: • Resetting passwords; • Modifying user accounts including the following fields: o user name;		

		Requirements	Supplier Response	Comments
		o telephone number; o locality assignment; o user identifier; o account description; • The ability to suspend and un-suspend user accounts; • Define groupings of transactions to build common groups or clusters of transaction assignments; • The ability to review user assignments to troubleshoot user access issues; and • Allow DMAS to grant the authority to view MMIS IDs and reset passwords to another state agency (for example, the Virginia Department of Social Services must be able to have password reset capability for their users in order to assist the user community when password resets are necessary)? Describe the approach.		
122.		Does the Offeror agree to provide DMAS or other designated authority with reports and a reporting function capability such that the Contractor's Security Administrator and DMAS' Security Officer have the option of auditing (or listing) all activity of a user or resource as seen in examples in the RFP reference library, including the following requirements: • All related activity (successes and failures); • Unauthorized access attempts to system resources or data (security violations); • Data transfers; • Violation reports (that include user IDs from which violations originated); • Unauthorized access attempts to system resources or data, including dissemination and storage; • Audit trails (all accounts to the MMIS Core Technology); • Extracts from ACF2 that may be converted to .xml, .csv or .txt formats; • Ad hoc and other system processes to track system use in a manner that maximizes the use of state-of-the-art ad hoc reporting capabilities; and • Retention of all reports of this process for a period of 5 years in the Enterprise Content Management System?		

		Requirements	Supplier Response	Comments
		Describe the approach.		
	123.	Does the Offeror agree to implement a Risk Management process that includes contingency planning; to document this process in a Risk Management Plan, acceptable to DMAS; and to include in the plan an explanation of how risks are identified and assessed, a tracking tool, controls for measuring risks, risk mitigation and retirement strategies, and a reporting process that results in risk reporting to DMAS management on a regular basis? Describe the approach.		
	124.	Does the Offeror agree to remain compliant with the requirements from the following Security and Risk references: • HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later); • COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later); and • DMAS policies? Describe the approach.		

	125.	Does the Offeror agree to conduct annual Disaster Recovery (DR) testing with DMAS with the scope of the DR test to include:
		• Coordination of a DR test plan and schedule with DMAS staff;
		• Use of the FAS facility office space previously designated for DMAS to accommodate a limited DMAS staff (see staffing section) involved in the DR tests;
		• Support of DR tests is to include:
		   ○ An FAS Applications test;
		   ○ A site for DR testing;
		   ○ An FA Technology and resident applications test; and
		   ○ DMAS Technology applications test.
		
		Describe the approach.		

	126.	Does the Offeror agree to provide temporary housing space of a DMAS-provided server and racks (estimated to be moved in 2 years from the start of operations)? The scope of the support includes connectivity and Internet access to DMAS-provided equipment for the DMAS Technology applications test. Describe the approach.		

	Requirements	Supplier Response	Comments
127.	Does the Offeror agree to support and participate in disaster recovery testing conducted by other entities that are part of the Medicaid Enterprise, such as the Department of Social Services (DSS), the PES Contractor, and the DRS Contractor?		
	4.1.6 Change Management	**Yes/No/ Future**	
128.	Does the Offeror have CM processes that are adaptable to the current CM processes as documented in the RFP? Describe the approach.		
129.	Based on the RFP, RFP SLAs, MMIS documentation, and DMAS CM Plan, does the Offeror agree to support the CM processes as documented in this RFP? Describe Systems Development Life Cycle model and note Capability Maturity Model Integration level. Describe the approach.		
130.	What are the Offeror's CM processes for Platform Management (e.g., hardware, systems software, telecommunications, and servers)? Describe the approach and/or provide a current CM plan.		
131.	What are the Offeror's CM processes for EDI? Describe the approach and/or provide a current CM plan.		
132.	The Service Level Methodology requires a Root Cause Analysis process. Does the Offeror have a Root Cause Analysis methodology similar to those in use in the industry? Describe the approach.		
133.	Does the Offeror agree to incorporate the established promotion criteria into the Takeover/Turnover Quality Management Plans as a basis for quality control on software development? Describe the approach.		
134.	Routinely monitoring production quality against benchmarks, SLAs, and Root Cause Analysis are important for quality control. Describe the approach.		
	4.1.7 Enhancements	**Yes/No/ Future**	
	4.1.7.1 MMIS Screens (Mandatory)		
135.	Does the Offeror understand that it must include in its proposal, costs to develop a web-based user interface to CICS MMIS screens to replace the current GUI interface in order for its proposal to be considered for MMIS Fiscal Agent Services?		
136.	Does the Offeror agree to provide a description of the Offeror's technical solution and its approach (including documentation updates) to		

		Requirements	Supplier Response	Comments
		implementing the MMIS screens enhancement that meets the SLAs in Appendix E.II by July 1, 2010? Describe the approach.		
	137.	Does the Offeror understand that the web designs must meet COV standards and guidelines at http://www.vita.virginia.gov/library/default.aspx?id=537? Describe the approach and all points of non-compliance.		
	138.	Does the Offeror agree to ensuring standards are adhered to as well as incorporating improvements to navigation, standardization, and clear technical environment labeling on web pages? Describe the approach and proposed standards.		
	139.	Does the Offeror's solution integrate with the single logon and password from the DMAS Medicaid Web Portal? Describe the approach.		
		4.1.7.2 DMAS Medicaid Web Portal (Mandatory)		
	140.	Does the Offeror understand that it must include in its proposal costs to develop and maintain (including FA Contractor Help Desk support) a DMAS Medicaid web portal for providers in order for its proposal to be considered for MMIS Fiscal Agent Services?		
	141.	Does the Offeror understand that the web designs must meet COV standards and guidelines at http://www.vita.virginia.gov/library/default.aspx?id=537? Describe the approach and all points of non-compliance.		
	142.	Does the Offeror agree to provide a single point of entry for all provider services offered by DMAS even if the Offeror is not the entity providing those services? Describe the approach.		
	143.	Does the Offeror's solution accommodate both new users and secure access by enrolled and registered providers? Describe the approach.		
	144.	Does the Offeror's solution provide a secure site that complies with security standards as documented in 4.1.5 Security and Risk Management? Describe the approach and all points of non-compliance.		
	145.	Does the Offeror's solution support a user administration console with delegated administrative capabilities (logon, access, etc.)? Describe the approach.		
	146.	Does the Offeror's solution include converting and incorporating existing security and delegated administration information? Describe the approach.		

		Requirements	Supplier Response	Comments
	147.	Does the Offeror agree to work cooperatively with all entities that provide services on behalf of DMAS? Describe the approach.		
	148.	Does the Offeror agree to work with DMAS to minimize administrative costs by leveraging solutions and tools that may be offered by the Virginia Healthcare Exchange Network (VHEN)? Describe any experiences the Offeror has working with a centralized multi-payer exchange.		
		4.1.7.3 Executive Support System (Optional)		
	149.	Is the Offeror providing an optional proposal for an Executive Support System? If yes, describe the approach and respond to the remaining requirements in this section. If the Offeror is not providing a proposal for an Executive Support System, requirements 153-157 do not apply.		
	150.	Does the Offeror's ESS provide a comprehensive data warehouse and provide utilities to facilitate analysis of healthcare costs, utilization, quality, and SLAs? Describe the approach.		
	151.	Does the Offeror's solution include the following: • Standard, flexible, user-friendly reporting tools which are available to staff throughout the agency; • Executive-level reporting containing data that can be manipulated by managers; • Detailed ad hoc analytical reporting capabilities for experienced users; and • Ability to support 10 years of claims data? Describe the approach.		
	152.	If the Executive Support System access and presentation of data are based on a web solution, does the Offeror understand that the web designs must meet COV standards and guidelines and branded as DMAS' Virginia Medicaid? See http://www.vita.virginia.gov/library/default.aspx?id=537. Describe the approach and all points of non-compliance.		
	153.	Does the Offeror agree to provide a single point of entry for all MMIS users authenticated by the MMIS screens even if the Offeror is not the entity providing those services? Describe the approach.		

	Requirements	Supplier Response	Comments
154.	Describe the Offeror's overall technical solution and its approach to implementing this enhancement on or after July 1, 2010?		
	4.1.7.4 Offeror Proposed Enhancements (Optional)		
155.	Is the Offeror providing any additional proposals for recommended enhancements that would benefit the Medicaid program through cost savings, operational efficiencies, improved customer service, or some other tangible benefit such as a higher level of MITA conformance? If yes, describe each proposed enhancement as it relates specifically to the Virginia MMIS in terms of systems changes, operational changes, or a combination of both. Provide a detailed description of the scope of the change, impacted aspects of the MMIS, and the specific anticipated benefits. If the Offeror is not proposing any additional enhancements, requirement 159 does not apply.		
156.	Does the Offeror understand that any of its proposed enhancements must be included in Section V, Other Costs on Schedule B-1, and that any reductions to other costs that would accompany an enhancement must also be identified?		
	4.1.8 Takeover / Turnover	**Yes/No/ Future**	
157.	Does the Offeror agree to submit a Takeover approach plan with the proposal to include an MS-Project work plan addressing the project phases and major activities, an approach toward resource staffing the project, an approach to establishing a Contractor work location, an approach to converting security profiles, an approach to converting documentation, an approach to migrating programs and data, and an approach to testing?		
158.	Does the Offeror agree to prepare, implement, and maintain its DMAS approved Risk Management Plan that is compliant with the most stringent requirements from the standards listed below: • HIPAA Security Rule, 45 CFR Parts 160, 162, and 164 Health and Insurance Reform: Security Standards: Final Rule, February 20, 2003 (or later); • COV ITRM Standard SEC501-01 dated July 1, 2007 (revised) (or later); • COV ITRM Guideline SEC508-00 dated April 18, 2007 (or later); and		

	Requirements	Supplier Response	Comments
	• DMAS policies.		
159.	Does the Offeror agree to provide all Takeover phase deliverables including those defined in the Key Deliverables Tables and according to Schedule A, Project Major Milestones Schedule?		
160.	Does the Offeror agree to provide DMAS with a Takeover organization chart including a named project manager for the Takeover Phase?		
161.	Does the Offeror agree to develop and manage to a Takeover work plan that is aligned with DMAS master MS-Project work plan milestones and to provide the necessary weekly status to DMAS according to the Performance Reporting Summary section in Schedule B? Describe the approach.		
162.	Does the Offeror agree to provide all Operations phase deliverables including those defined in the Key Deliverables Tables and according to Schedule A – Project Major Milestones Schedule?		
163.	Does the Offeror agree to follow the Commonwealth's project management standard ITRM-CPM-112-02 determined and communicated by DMAS and to provide a PMI certified project manager?		
164.	Does the Offeror agree to work with any other contractors awarded a component of the MMIS re-procurement to ensure a successful installation? Describe the approach.		
165.	Does the Offeror agree to follow industry best practices regarding project management and work cooperatively with DMAS and other contractors to provide input to a DMAS master project plan? Describe the approach.		
166.	Does the Offeror agree that the FA Technology Risk Management Plan and costs are separate from the MMIS Core Technology Risk Management Plan and costs?		
167.	Does the Offeror agree to provide an SLA Reporting application that can be used to monitor Offeror performance according to SLAs? Describe the approach.		
168.	Does the Offeror agree to support the requirements listed in COV ITRM Guideline SEC508-00 dated April 18, 2007 (or later), especially Section 2 COOP, Section 3 Disaster Recovery Planning and Section 4 IT System and Data Backup and Restoration Planning?		
169.	Does the Offeror agree to assign a Turnover manager for the Turnover task to participate in turnover meetings to perform the following Tasks: • Provide responses to questions from DMAS or its successor		

		Requirements	Supplier Response	Comments
		contractor in writing within two business days of notification; and • Present written status reports detailing progress toward achieving milestones in the Turnover plan, identify Turnover risks and any corrective actions needed to keep tasks on schedule, and report on the updated work plan?		
170.		Does the Offeror agree the Turnover manager is accountable for coordinating input from the Contractor's operational experts in order to meet DMAS' and its successive entity's training needs? The training needs include but are not limited to the following areas: • Request for payments processing data entry; • Technical questions concerning DB2 tables and support; • Computer operations; • Controls and balancing procedures; • Exception requests for payments processing; and • All manual procedures documented and undocumented?		
171.		Does the Offeror agree to develop and provide to DMAS the Turnover plan within thirty (30) days after receipt of Turnover notification from DMAS of its intent to terminate the contract? The Turnover plan must include the following components: • Proposed approach to Turnover; • Tasks and subtasks for Turnover; • Milestones schedule for Turnover aligned with DMAS' milestones and plan; • Production program and documentation update procedures for the turnover phase; • A Turnover checklist to be submitted, following the Turnover of operations, that documents the completion and results of each step of the Turnover plan; and • A list of known risks and alert DMAS to subsequent risks as they are known.		
172.		Does the Offeror agree, when requested by DMAS, to transfer on DMAS-approved electronic media all Turnover components required to operate the system, including but not limited to source code; JCL; data; updated computer programs; all system, user, and operations documentation; and records, to DMAS or its successive contractor or entity? The Contractor shall be responsible for providing all electronic media used to transfer data and for all shipping charges. The Contractor will provide the		This one

		Requirements	Supplier Response	Comments
		electronic media using standard utilities to copy agreed to by DMAS.		
	173.	Does the Offeror agree to conduct annual DR testing with DMAS to include the following: - Coordinate a DR test plan and schedule with DMAS staff; - Provide FAS office space, as specified in the staffing section, for DMAS staff involved in the DR tests; - Support the DR tests with the following additional tests: - An FAS Applications test; - An FAS Technology and Resident Applications test; - A DMAS Technology Applications test; - Temporarily house a DMAS-provided server and racks (estimated to be moved in two years); and - Provide connectivity and Internet access to DMAS-provided equipment for the DMAS Technology Applications test.		
	174.	Does the Offeror agree to accept and house existing hardcopy files? Describe the approach.		
	175.	Does the Offeror agree, as part of the Takeover Test Plan, to support a DMAS assigned independent testing audit effort with contractor resources? Describe the approach.		
		4.2 Staffing Requirements	**Yes/No/ Future**	
	176.	Does the Offeror agree to provide the required Key Staff and agree to the terms of approval, organizational structure, and staff qualifications? Provide names of proposed Key Staff, resumes, and three references for each.		
	177.	Does the Offeror understand that separate contracts will be awarded for Fiscal Agent Services, Provider Enrollment Services, and Drug Rebate Services, that each contract will have separate staffing plans and requirements, and that staffing proposals for Provider Enrollment Services and Drug Rebate Services are to be included in those sections of the RFP?		
	178.	Does the Offeror agree to provide all necessary staffing resources for the Takeover Phase of the contract and understand that resources must align with the proposed Takeover project work plan and be sufficient to ensure a smooth transition by July 1, 2010? Provide a staffing plan that aligns		

		Requirements	Supplier Response	Comments
		with the proposed work plan and includes the following information: (1) identification of each proposed resource by position title; (2) number of resources proposed for each position; and (3) date of entry onto the project and duration. Also provide a staffing organizational chart.		
179.		Based on experience and the information contained in this RFP, does the Offeror agree to provide staffing for the Systems Development Group sufficient to meet the required number of enhancement hours and the SLAs in Appendix E.II? Include a staffing plan and organization chart that identify the resources to be used by position title and the number of resources proposed for each position.		
180.		Based on experience and the information contained in this RFP, does the Offeror agree to provide staffing for the Production Support Group sufficient to meet the SLAs in Appendix E.II? Include a staffing plan and organization chart that identify the resources to be used by position title and the number of resources proposed for each position.		
181.		Does the Offeror agree to provide staffing for the DMAS Technology Applications Group based on the number and mix of resources determined by DMAS?		
182.		Based on experience and the information contained in this RFP, does the Offeror agree to provide staffing for the Business Operations Group sufficient to meet the related requirements and the SLAs in Appendix E.II? Include a staffing plan and organization chart that identify the resources to be used by position title and the number of resources proposed for each position.		
183.		Based on experience and the information contained in this RFP, does the Offeror agree to provide staffing for the Software Quality Assurance Group sufficient to meet the related requirements and the SLAs in Appendix E.II? Include a staffing plan and organization chart that identify the resources to be used by position title and the number of resources proposed for each position.		
184.		Based on experience and the information contained in this RFP, does the Offeror agree to provide staffing for the Business Operations Quality Assurance Group sufficient to meet the related requirements and the SLAs in Appendix E.II? Include a staffing plan and organization chart that identify the resources to be used by position title and the number of resources proposed for each position.		
185.		Does the Offeror agree to provide training staff for special needs when requested by DMAS? Describe the approach.		

	Requirements	Supplier Response	Comments
186.	Does the Offeror agree to provide hourly rates for all proposed staff associated with Schedules E-1, E-2, E-3, E-4, E-5, E-6, and E-7 in Section 4.4.6.3 of the RFP with the exception of the Key Staff?		
187.	Does the Offeror understand that DMAS reserves the right to increase or decrease the number of staff in any business or technical areas associated with Schedules E-1, E-2, E-3, E-4, E-5, and E-6 in Section 4.4.6.3 of the RFP throughout the life of the contract?		
188.	Does the Offeror agree to increase or decrease staff within 30 business days of a DMAS request?		
189.	Does the Offeror agree that the Service Level Methodology is a critical component for providing measurable quality products and services? Describe the management approach for applying and supporting the Service Level Methodology.		
190.	Does the Offeror agree to house all FAS functions at an FAS office located within 15 miles of DMAS' office located at 600 E. Broad Street, Richmond, Virginia 23219?		
191.	Does the Offeror agree to allow DMAS' on-site monitoring of its activities?		
192.	Does the Offeror agree to maintain normal business hours for all FAS functions?		
193.	Does the Offeror agree to allow the DMAS Contract Monitor and other designated staff access to the Contractor's facility, office equipment, staff and telephone system and to the MMIS files, both manual and electronic?		
194.	Does the Offeror agree to furnish three (3) parking spaces and three (3) enclosed offices with a door for the DMAS contract monitor and other DMAS staff to perform on-site monitoring of the Contractor's adherence to Service Level Agreements and other business functions?		
195.	Does the Offeror agree to furnish each DMAS office and cubicle with a desk, table and chairs; a private telephone with speakerphone; and a personal computer having: • Internet access with secure electronic mail, • MS Office and any software and connectivity needed to use FAS applications; and • an available printer?		
196.	Does the Offeror agree that its offices shall provide DMAS staff access to a conference and training room for no fewer than 10 people?		

E.II FISCAL AGENT SERVICES SERVICE LEVEL AGREEMENTS

The following minimum Service Levels are required as set forth in the Service Level Methodology. The Contractor must consistently meet or exceed the following Service Levels. The Service Level methodology and the identification of Service Levels associated with Performance Credits are detailed in Service Level Methodology. **All times referenced are in Eastern Standard Time**.

The Business Operations and Applications Support Service Level Requirement section focuses on Service Levels of critical importance to DMAS. It is recognized that to meet Business Operations and Applications Support Applications SLAs, the underlying technical infrastructure must be functional as dictated by the Platform Management Service Level section. The final section contains Change Management Service Level Requirements.

Applicability

The Table E-1 identifies what service level tables are applicable to Operational Support Services, Application Support Services, Platform Management FAS Technology, Platform Management Core MMIS Technology, and Change Management.

Table E-1.   Applicability of Service Level Requirements

Table#	Service Level Table	FAS Operational Support Services	FAS Applications Support Services	FAS Technology	Core MMIS Technology
E-3	MMIS General Availability Service Levels		X	X	X
E-4	MMIS Application Response Time Service Levels		X	X	X
E-5	MMIS Batch Processing Service Levels		X	X	X
E-6	MMIS Output Delivery Service Levels	X	X		
E-7	MMIS Operational Functions Service Levels	X	X		
E-8	General System Availability Service Levels			X (note 1)	X
E-9	Application Platform Response Time Services Levels			X (note 1)	X
E-10	Batch Processing Service Levels		X	X (note 2)	X
E-11	Output Delivery Service Levels				X
E-12	General Administrative Functions Service Levels		X	X	X
E-13	System Server Administration Service			X (note 1)	X

	Levels				
E-14	Server Software Refresh Service Levels			X (note 1)	X
E-15	System Hardware Updates/Refresh Requirements Service Levels			X (note 1)	X
E-16	Database Administration and Refresh Service Levels			X (note 3)	X
E-17	Change Management Service Levels		X		
E-18	Release Management Service Levels		X		

Notes:
1: For equipment used to support the FAS Technology.
2. To the extent enterprise job control/coordination is needed between FAS Technology equipment and Core MMIS Technology equipment.
3. For platforms used to support the FAS Technology.

Initial Allocation Percentage

The Service Level Methodology utilizes allocation percentages (0-100%) for calculation of performance credits and earn-backs. Table E-2 identifies the initial allocation percentages effective on July 1, 2010 and is ordered by allocation percentage.

Table E-2.   Initial Allocation Percentage Table

Table #	ID#	Item	Allocation %
		4.1.1 Business Operations and 4.1.2 Application Support Service Levels	
E-5	1	Receive, control, assign a unique ICN, image, transfer to MMIS, and adjudicate all paper payment requests and their attachments or any other associated claims documents.	12%
E-5	2	Receive, assign a unique ICN, establish proof report and adjudicate all to EDI and DDE payment requests.	12%
E-5	3	Receive, assign a unique ICN, adjudicate and return response for all POS payment requests.	12%
E-5	4	Process all EDI and DDE transmissions in MMIS	9%
E-5	6	Weekly Payment Cycle	7%
E-5	5	For batch process, re-adjudicate payment requests by performing all edits, audits, and pricing after release from pend resolution.	6%
E-4	1	For online process, re-adjudicate payment requests by performing all edits, audits, and pricing after release from pend resolution.	5%
E-7	1	Execute Financial cycle, generate, mail and image weekly remittance advices and checks and deposit provider EFT payments	5%
E-7	2	Process manual check requests and all transactions in MMIS when manual checks, and/or EFT payments are issued outside of the normal payment cycle	5%
E-6	1	Mail system-generated letters.	3%
E-7	3	Maintain toll-free support for ARS and MediCall	3%

Table #	ID#	Item	Allocation %
E-7	6	Perform on-line data entry of Pre-admission Screening Plan DMAS-96 forms, Uniform Assessment Instrument (UAI) forms, HIV Waiver Services Pre-screening Assessment (DMAS 113-A) and the Medicaid Waiver Services Pre-screening Plan of Care (DMAS 113-B), Maternal Care Coordination Record (DMAS 50), and Infant Care Coordination Record (DMAS 51) to MMIS system.	3%
E-7	7	Prepare and submit to DMAS a monthly reconciliation for MMIS bank accounts to include: generation of a monthly file of all checks issued to the bank for processing, receipt and process monthly file of cleared and voided checks from the bank.	3%
E-7	8	Perform comprehensive, on-line request for payment data capture edits which will ensure the accuracy of captured data	3%
E-5	8	Critical batch processing	3%
E-6	3	Submit weekly remittance information to DMAS Fiscal Unit for posting of data in agency financial system	2%
E-7	4	Maintain systems capacity for MediCall (phone lines) and ARS access to over 59,000 providers to verify recipient eligibility	2%
E-7	5	Correct errors associated with EFT deposit and mailing of provider payments	2%
E-7	9	Perform on-line entry of assessment TADs.	2%
E-7	10	Provider service center support for EDI	1%
E-7	11	Initiate void transactions in MMIS for returned checks from PES that they were unable to be forwarded	0%
E-7	12	All hardcopy payment request transactions suspended to the contractor location for any reason must be paid or denied.	0%
E-7	13	Generate monthly Prospective and Retrospective DUR reports	0%
E-7	14	Return all paper payment requests with missing key fields.	0%
E-6	2	Mail ID Cards to the enrollee	0%
E-5	7	Medicaid enterprise nightly batch jobs	0%
E-3	1	Medicaid Enterprise Availability to users during posted hours.	0%
E-3	2	Test and development environment availability to development staff	0%
E-4	2	Response from system development tools used by MMIS technical staff (compilers, binders, etc.).	0%
E-7	15	Closeout and prepare a final reconciliation of MMIS bank accounts	0%
E-7	16	Generate and mail annual 1099s	0%
E-7	17	Profiles, Intervention letters approved by DMAS	0%
E-7	18	Annual 1099 corrections	0%
E-7	19	Process provider Electronic Funds Transfer applications	0%
E-7	20	Maintain toll-free support for ARS and MediCall	0%
E-7	21	Answer operator assisted inquiries for MediCall	0%
E-7	22	Provide hardcopy request for payments documentation	0%
E-7	23	Maintain blank check inventory for use when issuing manual checks / system backup if manual checks are to be printed electronically	0%
E-7	24	Setup new bank accounts for each State fiscal year (July 1 through June 30)	0%
E-7	25	Respond to problems that are MediCall availability related	0%
E-7	26	Answer Incoming Calls	0%
E-7	27	Process EDI test transmissions and provide feedback	0%
E-7	28	J-SURS Extract File Loads	0%
E-7	29	Notification of outages to DMAS	0%

Table #	ID#	Item	Allocation %
E-7	30	Notification of MMIS problems to DMAS	0%
E-7	31	Notification of resolution of outages and MMIS problems to DMAS	0%
E-7	32	Production quality control	0%
E-7	33	Metered mail processing	0%
E-7	34	Provide EDI outbound files	0%
E-7	35	Call center performance – answer calls.	0%
E-7	36	Call center performance – time to answer calls.	0%
E-7	37	Call center performance – wait time.	0%
		Subtotal	100.00%
		4.1.3 Platform Management Service Levels	
E-10	1	Mainframe Scheduled Production Batch	17%
E-16	5	Recovery	15%
E-9	1	Production Mainframe	10%
E-9	4	Internet Web Service	10%
E-8	6	Development Servers	5%
E-9	2	Intel and Unix	5%
E-9	3	Intranet/Extranet Web Systems	5%
E-10	2	Demand Production Batch	4%
E-8	2	Mainframe Production Subsystems – IBM	2%
E-8	3	Production Windows server instances	2%
E-8	4	Production RISC/UNIX server instances	2%
E-10	3	Demand Test Batch	2%
E-10	4	Setup or modify job scheduler definition and dependencies	2%
E-14	2	Implementation of version or major release updates	2%
E-16	3	Create End-User ID, Grants, Revokes, Create table space, other data definition requests	2%
E-16	7	Service packs and updates to "dot" releases	1%
E-8	1	Mainframe OS	1%
E-8	5	QA/Test Systems and Servers	1%
E-10	5	One time schedule change for existing scheduled jobs	1%
E-12	1	Notification of Priority 1 outage to Help Desk	1%
E-12	2	Notification of Priority 2 and 3 outage to Help Desk	1%
E-12	3	Notification of resolution of outage to Help Desk	1%
E-12	4	Notification to DMAS call list by help desk staff of reported MMIS outages and problems.	1%
E-13	4	Capacity/Performance Trend Analysis and Reporting across all platforms	1%
E-14	1	Implementation of service packs and updates to "dot" releases	1%
E-15	1	Mainframe and Server Hardware Refresh	1%
E-16	1	Allocation of additional storage space based on VITA defined and/or growth patterns	1%
E-16	2	Instance Creation & Refresh	1%
E-16	6	Individual Patches & requisite patches per database	1%
E-16	8	Version or major release updates	1%
E-11	1	Mainframe Print within Richmond Metro area	0%
E-11	2	Data Center Print in Primary Data Center for delivery outside of Richmond Metro Service area	0%

Table #	ID#	Item	Allocation %
E-11	3	Remote Delivery of print queue to Networked-attached printer	0%
E-13	1	Allocate additional server storage resources based on pre-defined parameters/observed growth patterns	0%
E-13	2	On-Demand Disk storage capacity change requests	0%
E-13	3	Storage administration requests (Work Packs, Pools)	0%
E-16	4	Schema changes and stored procedures	0%
		Subtotal	100.00%
4.1.6 Change Management			
E-17	2	Resourced Work Plan for routine MMIS releases	15%
E-17	3	Resourced Work Plan for research and ad hoc ISR.	8%
E-17	5	Correct emergency production problems	19%
E-18	2	Quality control	25%
E-17	6	Document resolution of emergency production problem actions in accordance with Change Management procedures	5%
E-18	1	Measurement of actual work plan progress against the approved baseline (e.g., earned value)	7%
E-18	3	Post implementation monitoring of defects	9%
E-17	4	Resourced Work Plan for special track MMIS releases supporting an EWO.	8%
E-17	1	Ballpark Estimate Impact Assessment for submitted ISR	2%
E-18	4	Post Implementation defect correction.	2%
		Subtotal	100.00%

Business Operations and Applications Support Service Level Requirements

Table E-3.   MMIS General Availability Service Levels

DEFINITION	MMIS General Availability is defined as the applications and technical infrastructure availability to support mission critical business processing and functions.

MMIS General Availability Service Level Requirements

ID	System Area	Service Measure	Performance Target	Minimum Performance %
1	Medicaid Enterprise production availability to users during posted hours.	Aggregate Availability	General Inquiry and Update Mode: Mon-Fri, 06:15-2000 Sat, 06:15-1700 General Inquiry only mode: Available in this mode when not in the "General Inquiry and Update Mode" less system maintence window. Inquiry and Update Mode for Pharmacy Point of Sale: Sun-Sat, 0000-2400	99.5%
2	Test and development environment availability to MMIS development staff.	Aggregate Availability	Sun-Sat, 0000-2400.	99.8%
		Formula	Availability (%) = 100% - Unavailability (%) Where Unavailability is defined as: $(\Sigma$ Outage Duration x 100%) ÷ (Schedule Time) Outage is defined as: The MMIS Enterprise not available to users during published availability hours.	
		Measurement Interval	Measure Daily, Report Monthly. Reports for Availability will include reports per system, per LPAR, per subsystems, and per server, respectively.	
		Measurement Tool	HP OpenView and RMF/MICS/Sightline Reports and/or equivalent tools.	

Table E-4.   MMIS Application Response Time Service Levels

DEFINITION	Online Response Time for MMIS online applications is defined as the ability of the applications to respond to online enterprise-wide mission critical business processing and functions.

MMIS Application Response Time Service Level				
ID	Application	Service Measure	Performance Target	Minimum Performance %
1	For online process, re-adjudicate payment requests by performing all edits, audits, and pricing after release from pend resolution.	Response	≤30 seconds	99%
2	Response from system development tools used by MMIS technical staff (compilers, binders, etc.).	Response	Processing initiated ≤5 seconds.	90%
		Formula	Performance = Transactions completed within Performance Target /Total Transactions.	
		Measurement Interval	Measure Daily at 30 minute intervals, Report Monthly.	
		Measurement Tool	Netspy/RMF/MICS/Sightline, Mainview Reports, and/or equivalent tools.	

Table E-5.   **MMIS Batch Processing Service Levels**

DEFINITION	MMIS Batch Processing for MMIS is defined as the ability of the technical infrastructure to complete enterprise-wide mission critical batch business processing.

MMIS Batch Processing Service Level Service Level Requirements

ID	Batch Processing Type	Service Measure	Performance Target	Minimum Performance %
1	Receive, control, assign a unique ICN, image, transfer to MMIS and adjudicate all paper payment requests and their attachments or any other associated claims documents.	Timeliness	Process paper payment requests from receipt through adjudication $\leq$ 72 hours.	99.5%
2	Receive, assign a unique ICN, establish proof report and adjudicate all to EDI and DDE payment requests (Claims and Encounters).	Timeliness	Process EDI and DDE payment requests from receipt through adjudication $\leq$ 24 hours.	99.5%
3	Receive, assign a unique ICN, adjudicate and return response for all POS payment requests.	Timeliness	Process POS payment requests from receipt through response aggregate $\leq$ 3 seconds (enterprise response).	99.5%
4	Process all EDI and DDE transmissions in MMIS.	Timeliness	100% process EDI and DDE transmissions in MMIS the same day if received by 5 p.m. EST. 100% return a 997 transaction for claims transmissions $\leq$ 1 hour of receipt. 100% return a 997 transaction for all other inputs $\leq$ 4 hours of receipt.	100%
5	For batch process, re-adjudicate payment requests by performing all edits, audits, and pricing after release from pend resolution.	Response	$\leq$ one business day unless defined by a specific edit.	99.5%
6	Weekly Payment Cycle.	Response	Complete cycle by 6:00 AM of the 1st business day of each week.	100%
7	Medicaid enterprise nightly batch jobs.	Timeliness	Scheduled enterprise batch jobs completed before the scheduled MMIS availability hours for users starts.	99.5%

MMIS Batch Processing Service Level Service Level Requirements				
ID	Batch Processing Type	Service Measure	Performance Target	Minimum Performance %
8	Critical batch processing	Per Enterprise Production Schedule Time.	Monitor and complete scheduled critical batch processes before MMIS is available to users: • Post reports to Enterprise Document Management System (daily) • Complete recipient subsystem processing for enrollment end of month prior to daily availability hours for users (15th of each month) • Create and transmit managed care files to MCOs (monthly). • Create and transmit buyin file to CMS (monthly) • Complete HIPP invoice and payment processing • Process prospective capitation and other management care payments.	100%
		Formula	Total number of jobs completed within Performance Target /Total number of jobs executed during Measurement Interval.	
		Measurement Interval	Measure Daily, Report Monthly.	
		Measurement Tool	Netspy/RMF/MICS/Sightline Reports, and/or equivalent tools.	

Table E-6.   MMIS Output Delivery Service Levels

DEFINITION	MMIS Output Delivery for MMIS is defined as the ability of the Contractor to deliver and handle a variety of mission-critical MMIS outputs for distribution.

MMIS Output Delivery Service Level Requirements

ID	Output Delivery Type	Service Measure	Performance Target	Minimum Performance %
1	Mail system-generated letters.	Timeliness	98% mailing of all items ≤ 2 business days after the transaction to generate one. 100% mailing of all items ≤ 3 business days after the transaction to generate one.	100%
2	Mail ID Cards to the enrollee.	Response	≤ 1 business day after file generation.	95%
3	Submit weekly remittance information to DMAS Fiscal Unit for posting of data in agency financial system.	Response	100% delivery of weekly remittance information to DMAS Fiscal Unit by 12:00 PM **Monday** following the weekly payment or approved schedule.	100%
		Formula	Number of jobs completed per type within Performance Target /Total number of scheduled jobs per type.	
		Measurement Interval	Measure Weekly, Report Monthly.	
		Measurement Tool	RMF/MICS/Sightline Reports & direct measurement and/or equivalent tools/methods.	

Table E-7.   MMIS Operational Functions Service Levels

DEFINITION	Operational tasks that are required to meet DMAS' business and operational requirements.

MMIS Operational Functions Service Level Requirements

ID	Operational Task	Service Measure	Performance Target	Minimum Performance %
1	Execute Financial cycle, generate, mail and image weekly remittance advices and checks and deposit provider EFT payments.	Response	100% mailing completion of RAs/Checks by 12:00 PM **Friday** following the weekly payment or approved schedule 100% depositing EFT by 12:00 PM **Friday** following the weekly payment cycle or approved schedule. 100% accuracy of RA/Checks/EFT.	100%
2	Process manual check requests and all transactions in MMIS when manual checks, and/or EFT payments are issued outside of the normal payment cycle.	Response	Complete task after receipt of request or manual check issuances and/or EFT payment submissions ≤ 24 hours.	100%
3	Maintain toll-free support for ARS and MediCall.	Response	Maintain waiting time ≤ ninety 90 seconds. Maintain a call abandonment rate ≤ 5%. Respond to operator assisted callers ≤ 60 seconds.	95%
4	Maintain systems capacity for MediCall (phone lines) and ARS access to over 59,000 providers to verify recipient eligibility.	Capability	Provider community access from request ≤ 3.5 seconds.	98%
5	Correct errors associated with EFT deposit and mailing of provider payments.	Response time	≤ 24 hours.	100%

MMIS Operational Functions Service Level Requirements				
ID	**Operational Task**	**Service Measure**	**Performance Target**	**Minimum Performance %**
6	Perform on-line data entry of Pre-admission Screening Plan DMAS-96 forms, Uniform Assessment Instrument (UAI) forms, HIV Waiver Services Pre-screening Assessment (DMAS 113-A) and the Medicaid Waiver Services Pre-screening Plan of Care (DMAS 113-B), Maternal Care Coordination Record (DMAS 50), and Infant Care Coordination Record (DMAS 51) to MMIS system.	Response	100% key verification $\leq$ 5 working days.	100%
7	Prepare and submit to DMAS a monthly reconciliation for MMIS bank accounts to include: generation of a monthly file of all checks issued to the bank for processing, receipt and process monthly file of cleared and voided checks from the bank.	Response	100% generation of monthly file by 10th of the following month for the previous month. 100% by 20th of the month following bank statement date. 100% $\leq$ of 28th of the next month.	100%
8	Perform on-line entry of payment requests to include comprehensive data capture edits which will ensure the accuracy of captured data.	Response	100% key verification.	100%
9	Perform on-line entry of assessment TADs.	Response	$\leq$ 5 days from recipient	100%
10	Provide service center support for EDI.	Timeliness	Respond to service center support requests $\leq$ 2 hours. Resolve service center support requests $\leq$ 48 hours.	97%
11	Initiate void transactions in MMIS for returned checks from PES that they were unable to be forwarded.	Response	Respond $\leq$ 5 business days after receipt from PES Contractor.	100%
12	All hardcopy payment request transactions suspended to the contractor location for any reason must be paid or denied.	Response	$\leq$ 30 days from original pend date.	100%
13	Generate monthly Prospective and Retrospective DUR reports.	Response	Delivery of all standard reports $\leq$ 10 calendar days from the end of the month.	100%

MMIS Operational Functions Service Level Requirements				
ID	Operational Task	Service Measure	Performance Target	Minimum Performance %
14	Return all paper payment requests with missing key fields.	Response	Returned ≤ 48 hours after receipt.	100%
15	Closeout and prepare a final reconciliation of MMIS bank accounts.	Response	By January 31 of the next State fiscal year.	98%
16	Generate and mail annual 1099s.	Response	No later than January 31 of each year.	100%
17	Profiles, Intervention letters approved by DMAS.	Response	Mail Profiles and Intervention Letters ≤ 5 days after DMAS approval.	98%
18	Annual 1099 corrections.	Delivered	Process and mail all 1099 corrections by February 28th COB each year.	100%
19	Process provider Electronic Funds Transfer applications.	Response	≤ 5 business days.	98%
20	Maintain toll-free support for ARS and MediCall.	Availability	Mon-Fri 0800-1700 excluding state holidays and DMAS pre-approved exceptions.	100%
21	Answer operator assisted inquiries for MediCall.	Response	Respond to operator assisted callers ≤ 60 seconds.	100%
22	Provide hardcopy request for payment documentation.	Response	≤ 2 working days, or upon DMAS request.	100%
23	Maintain blank check inventory for use when issuing manual checks / system backup if manual checks are to be printed electronically.	Inventory	Manage blank check stock inventory > 100 blank checks.	100%
24	Setup new bank accounts for each State fiscal year (July 1 through June 30).	Response	By July 1st of every State fiscal year.	100%
25	Respond to problems that are MediCall availability related.	Response	Notification to DMAS management ≤ 15 minutes of receipt of the problem.	97%
26	Answer Incoming Calls for MediCall.	Availability	Answer incoming calls with 'no busy' signal.	98%
27	Process EDI test transmissions and provide feedback.	Turnaround	Process EDI tests transmissions and provide feedback to submitter ≤ 2 business days.	97%
28	J-SURS Extract File Loads.	Delivered	Load and balance the mainframe extract files from SURS into the DMAS J-SURS Servers by COB of the 10th day following the end of month.	98%
29	Notification of outages to DMAS.	Response	≤ 5 Minutes after notification to help desk.	99.5
30	Notification of MMIS problems to DMAS.	Response	≤ 20 minutes after discovery.	99.5

MMIS Operational Functions Service Level Requirements				
ID	**Operational Task**	**Service Measure**	**Performance Target**	**Minimum Performance %**
31	Notification of resolution of outages and MMIS problems to DMAS.	Response	≤ 20 minutes of resolution.	99.5
32	Production quality control.	Measurement	Measure and report on production problems against baseline data.	100%
33	Metered mail processing.	Measurement	Measure and report on metered mail usage.	100%
34	Provide EDI outbound files.	Response.	Executed as per production schedule.	100%
36	Call center performance – answer calls.	Response	95% of calls answered.	95%
36	Call center performance – time to answer calls.	Response	≤ 3 rings. ≤ 15 Seconds.	95%
37	Call center performance – wait time.	Response	Wait time in queue ≤ 3 minutes.	95%
		Formula	Number of requests or items completed within Performance Target /Total of all requests or items occurring during Measurement Interval.	
		Measurement Interval	Measure Weekly, Report Monthly.	
		Measurement Tool	Incident management Reports & direct measurement and/or equivalent tools/processes.	

Platform Management Service Level Requirements

Table E-8.   General System Availability Service Levels

DEFINITION	General System Availability is defined as the server CPU, system memory, disks and peripherals up to the connection to the Network. Availability is for the single unit and is not the availability of the aggregated servers and excludes scheduled maintenance.
PRE-SCHEDULED DOWNTIME REQUIREMENTS	All pre-scheduled system downtime, unless otherwise agreed upon in advance by DMAS, will occur: For the systems with 24x7x365 requirements—all pre-scheduled maintenance shall be performed based on COV's Change Management policy. For systems having non-24x7x365 requirements—pre-scheduled maintenance shall be performed outside of the normal system availability timeframe.

General System Availability Service Level Requirements				
ID	**System Platform**	**Service Measure**	**Performance Target**	**Minimum Performance %**
1	Mainframe OS	Aggregate Availability for all Mainframes	Sun-Sat, 0000-2400	99.8%
2	Mainframe Production Subsystems – IBM	Aggregate Availability	Sun-Sat, 0000-2400	99.5%
3	Production Windows server instances	Aggregate Availability	Sun-Sat, 0000-2400	99.5%
4	Production RISC/UNIX server instances	Aggregate Availability	Sun-Sat, 0000-2400	99.5%
5	QA/Test Systems and Servers	Aggregate Availability	Mon- Sat 0700-1900	98%
6	Development Servers	Aggregate Availability	Mon-Sat, 0700-1900	98%
		Formula	Availability (%) = 100% - Unavailability (%) Where Unavailability is defined as: (Σ Outage Duration x 100%) ÷ (Schedule Time – Planned Outage) (VDACS mainframe is excluded from mainframe class). Except that Unavailability for the Mainframe Subsystems Service Levels is defined as: (Σ Outage Duration for each subsystem for each LPAR x 100%) ÷ Σ (Schedule Time – Planned Outage for each subsystem for each LPAR).	
		Measurement Interval	Measure Daily, Report Monthly. Reports for Availability will include reports per system, per LPAR, per subsystems, and per server, respectively.	
		Measurement Tool	HP OpenView and RMF/MICS/Sightline Reports and/or equivalent tools.	

Table E-9. Application Platform Response Time Service Levels

DEFINITION	Online Response Time for online applications, e.g., DB2, CICS, Oracle.

Application Platform Response Time Service Level Requirements				
ID	**Application Platform**	**Service Measure**	**Performance Target**	**Minimum Performance %**
1	Production Mainframe	Online System Response Time	80% of transactions complete ≤ 1.5 sec 95% of transactions complete ≤ 2.5 sec 99.0% of transactions complete ≤ 3.5 sec	99%
2	Intel and Unix	Online System Response Time	90% of transactions complete ≤ 1.0 sec 95% of transactions complete ≤1.5 sec 100% of transactions complete ≤ 3.0 sec	99%
3	Intranet/Extranet Web Systems	End-to-End Response Time	80% of transactions complete ≤1.5 sec 95% of transactions complete ≤2.5 sec 99.9% of transactions complete ≤3.5 sec	99%
4	Internet Web Service	End-to-End Response Time	50% of transactions complete ≤ 5.0 sec 80% of transactions complete ≤ 30 sec 99.9% of transactions complete ≤ 2 min	99%
		Formula	Performance = Transactions completed within Performance Target /Total Transactions.	
		Measurement Interval	Measure Daily at 30 minute intervals, Report Monthly.	
		Measurement Tool	Netspy/RMF/MICS/Sightline, Mainview Reports, and/or equivalent tools.	

Table E-10. Batch Processing Service Levels

DEFINITION	Scheduled Production Batch: jobs include system setup, execution and completion of normally scheduled production batch jobs. Demand and Test Batch: jobs include time for system setup and initiation of job execution for ad hoc requests, non-standard, and non-prescheduled batch jobs.

Batch Processing Service Level Requirements				
ID	**Batch Processing Type**	**Service Measure**	**Performance Target**	**Minimum Performance %**
1	Mainframe Scheduled Production Batch.	Per Scheduled Time	Complete scheduled jobs streams no later the start of the User Availability window.	99.5%
2	Demand Production Batch.	Elapsed Time	30 minutes to initiation	95%
3	Demand Test Batch.	Elapsed Time	30 minutes to initiation	95%
4	Setup or modify job scheduler definition and dependencies.	Elapsed Time	Next workday (all daily requests)	99.5%
5	One time schedule change for existing scheduled jobs.	Elapsed Time	2 hours (all daily requests)	99.5%
		Formula	Total number of jobs completed within Performance Target /Total number of jobs executed during Measurement Interval.	
		Measurement Interval	Measure Daily, Report Monthly.	
		Measurement Tool	Netspy/RMF/MICS/Sightline Reports, and/or equivalent tools.	

Table E-11. Output Delivery Service Levels

DEFINITION	DMAS and Commonwealth–defined data output requirements for a variety of output delivery formats and destinations, as well as processing requirements (includes remote printing and print to file). Confirmation of delivery and reporting of output volumes is required. Various contractor systems/servers direct output to remote printers and other enterprise systems (e.g., fax, pager, e-mail) at various locations, with output delivered to the appropriate system according to Contractor-approved schedules and without errors. For delivery to resources external to Contractor control, queuing of work at Contractor hosting site due to availability of equipment or a confirmed delivery to the target destination will fulfill the delivery requirement.

Output Delivery Service Level Requirements				
ID	**Output Delivery Type**	**Service Measure**	**Performance Target**	**Minimum Performance %**
1	Mainframe Print within Richmond Metro area.	Delivered	Daily Print: ≤ 6 hr after job completes Evening Print: By 0700 next morning.	99%
2	Data Center Print in Primary Data Center for delivery outside of Richmond Metro Service area.	Delivered Per Scheduled Time	per DMAS-approved schedules.	99%
3	Remote Delivery of print queue to Networked-attached printer.	Per Scheduled Time	per DMAS-approved schedules.	99%
		Formula	Number of print jobs completed per type within Performance Target /Total number of scheduled jobs per type.	
		Measurement Interval	Measure Weekly, Report Monthly.	
		Measurement Tool	RMF/MICS/Sightline Reports & direct measurement and/or equivalent tools/methods.	

Table E-12. General Administrative Functions Service Levels

DEFINITION	Routine Data Center functions that are required to meet DMAS' workload requirements.

General Administrative Functions Service Level Requirements

ID	General Administration Task	Service Measure	Performance Target	Minimum Performance %
1	Notification of Priority 1 outage to Help Desk.	Response Time	≤ 10 minutes of discovery.	99.5%
2	Notification of Priority 2 and 3 outage to Help Desk.	Response Time	≤ 20 minutes of discovery.	99.5%
3	Notification of resolution of outage to Help Desk.	Response Time	≤ 20 minutes of resolution.	99.5%
4	Notification to DMAS call list by help desk staff of reported MMIS outages and problems.	Response Time	≤ 5 minutes after receipt of information.	99.5%
		Formula	Number of requests completed within Performance Target /Total of all requests occurring during Measurement Interval.	
		Measurement Interval	Measure Weekly, Report Monthly.	
		Measurement Tool	Incident management Reports & direct measurement and/or equivalent tools/processes.	

Table E-13. System Server Administration Service Levels

DEFINITION	Actions by Contractor for proactive monitoring and intervention to minimize capacity bottlenecks and activities required to implement system capacity and operational usage change requests.

System Server Administration Service Level Requirements				
ID	**System Administration Task**	**Service Measure**	**Performance Target**	**Minimum Performance %**
1	Allocate additional server storage resources based on pre-defined parameters/observed growth patterns.	Elapsed Time	Total monthly storage capacity utilization measured in GBs used approaches 90% of installed capacity within 1 day.	99%
2	On-Demand Disk storage capacity change requests.	Elapsed Time	Increases/decreases of $\pm$ 10% of installed storage capacity within 7 Business Days.	99%
3	Storage administration requests (Work Packs, Pools).	Elapsed Time	Within one Business Day subject to agreed upon Change Management Procedures.	99%
4	Capacity/Performance Trend Analysis and Reporting across all platforms.	Elapsed Time	Monthly analysis reports ≤ 5 Business Days of month end Interim reports on rapidly developing events and trends identification ≤ 1 Business Day of discovery.	99%
		Formula	Number of requests completed within Performance Target /Total of all requests occurring during Measurement Interval.	
		Measurement Interval	Measure Weekly, Report Monthly.	
		Measurement Tool	RMF/MICS/Sightline, Mainview Reports & direct measurement and equivalent tools/processes.	

Table E-14. Server Software Refresh Service Levels

DEFINITION	Maintaining computing infrastructure software currency by replacing, updating, upgrading, or otherwise deploying newer versions software including, patches, upgrades, and new releases.

Server Software Refresh Service Level Requirements				
ID	System Software & Application Software Refresh	Service Measure	Performance Target	Minimum Performance %
1	Implementation of service packs and updates to "dot" releases.	Response Time	Within 60 days after approval.	90%
2	Implementation of version or major release updates.	Response Time	Within 120 days after approval	90%
		Formula	Number of requests completed on time/Total of all requests occurring during Measurement period.	
		Measure Interval	Measure Weekly, Report Monthly.	
		Measurement Tool	Peregrine and/or equivalent tools.	

Table E-15. System Hardware Updates/Refresh Requirements Service Levels

DEFINITION	Maintaining computing infrastructure technology and performance currency by replacing, updating, upgrading, or otherwise deploying newer technology. This will be accomplished with the exception of those applications that require a specific older technology.

System Hardware Updates/Refresh Requirements Service Level Requirements				
ID	Updates/Refresh	Service Measure	Performance Target	Minimum Performance %
1	Mainframe and Server Hardware Refresh.	Response Time	Best practice as outline in Contractor's refresh plan.	99%
		Formula	Total number of events completed within Performance Target/Total number of events scheduled, due or required.	
		Measurement Interval	Measure Weekly, Report Monthly.	
		Measurement Tool	Peregrine and/or equivalent tools.	

Table E-16. Database Administration and Refresh Service Levels

DEFINITION	Performance of all Database Administration and Refresh tasks including, but not limited to software installation, patching, performance monitoring and tuning, instances creation and refresh, and recovery operations. For Service Level measurement, production requests MUST be executed within the highest Service Level.

Database Administration Service Level Requirements				
ID	**Administration Type**	**Service Measure**	**Performance Target**	**Minimum Performance %**
1	Allocation of additional storage space based on VITA defined and/or growth patterns.	Elapsed Time	Best practice as outlined in Contractor's Procedures Manual.	99%
2	Instance Creation & Refresh.	Elapsed Time	Create = 2 business days. Refresh = 1 business day.	99%
3	Create End-User ID, Grants, Revokes, Create table space, other data definition requests.	Elapsed Time	2 hours (1-5 requests daily). 4 hours (6-10 requests daily). 2 Business days > 10 daily. Based on a per database request.	99%
4	Schema changes and stored procedures.	Elapsed Time	1 business day. Based on a per database request.	99%
5	Recovery.	Elapsed Time	Refer to 4.1.5 Security and Risk Management section.	99%
	Database Refresh Type	**Service Measure**	**Performance Target**	**Minimum Performance %**
6	Individual Patches & requisite patches per database.	Elapsed Time	Same business day as signoff by core MMIS technology contractor. Required downtime is outside of the normal system user availability window.	99%

Database Administration Service Level Requirements				
ID	**Administration Type**	**Service Measure**	**Performance Target**	**Minimum Performance %**
7	Service packs and updates to "dot" releases.	Elapsed Time	Within 5 Business Days of signoff by core MMIS technology contractor. Required downtime is outside of the normal system user availability window.	99%
8	Version or major release updates.	Elapsed Time	Within 5 Business Days of signoff by core MMIS technology contractor. Required downtime is outside of the normal system user availability window.	99%
		Formula	Total number of events completed within Performance Target/Total number of events scheduled, due or required.	
		Measurement Interval	Measure Weekly, Report Monthly.	
		Measurement Tool	RMF/MICS/Sightline Reports and direct measurement and/or equivalent tools/processes.	

Change Management

Table E-17.   Change Management Service Level

DEFINITION	Change Management (CM) Service Levels are defined as the Contractor response responsibilities within the DMAS CM workflow for application maintenance.

Change Management Service Level Requirements				
ID	**Deliverable**	**Service Measure**	**Performance Target**	**Minimum Performance %**
1	Ballpark Estimate for submitted ISR.	Respond Time	Ballpark Estimate delivered to DMAS 5 working days after receipt date of the ISR by the Contractor.	90%
2	Resourced Work Plan for routine MMIS releases.	Respond Time	Resourced Work Plan delivered to DMAS ≤10 working days after formal approval of release requirements.	90%
3	Resourced Work Plan for research and ad hoc ISR.	Respond Time	Resourced Work Plan delivered to DMAS ≤10 working days after receipt date of the ISR by the Contractor.	90%
4	Resourced Work Plan for special track MMIS releases supporting an EWO.	Respond Time	Resourced Work Plan delivered to DMAS ≤5 working days after receipt date of the ISR by the Contractor.	95%
5	Correct emergency production problems.	Respond Time	Emergency production problems corrected ≤24 hours.	98%
6	Document resolution of emergency production problem actions in accordance with Change Management procedures.	Respond Time	ISR prepared that documents emergency production problem and actions taken ≤2 business days after action was taken.	98%
		Formula	Elapsed time to complete and submit deliverable during measurement interval /Performance Target for that type of deliverable.	
		Measurement Interval	Measure Weekly, Report Monthly.	
		Measurement Tool	ISR tracking system and/or equivalent tool.	

Table E-18.   Release Management Service Level

DEFINITION	Release Management (CM) Service Levels are defined as the Contractor project management responsibilities for application development and maintenance.

Release Management Service Level Requirements				
ID	**General Release Management Task**	**Service Measure**	**Performance Target**	**Minimum Performance %**
1	Measurement of actual work plan progress against the approved baseline (e.g., earned value)	Deliverables on time	Project deliverables identified in approved work plan delivered ≤ 5 working days late. The Contractor will not be held accountable if the late delivery is caused by DMAS work plan activities not completing on time (predecessor tasks).	90%
2	Quality control	Quality measurement	Meet or exceed promotion criteria.	100%
3	Post implementation monitoring of defects	Quality Control	Document defect in ISR-Fix and notify DMAS ≤ 1 day after discovery. Perform Root Cause Analysis as per methodology.	98%
4	Post implementation defect correction	Quality Control	All serious and moderate defects detected as part of FAS Contractor SQA efforts during release development. After Root Cause Analysis and given adequate SQA systems integration testing/regression testing, a new FAS Contractor will not be held responsible for latent defects in unchanged programs taken over.	99%
		Formula	Baseline schedule delivery date – Actual Delivery date – Non-work days (e.g., weekend, State Holidays).	
		Measurement Interval	Measure and Report Weekly.	
		Measurement Tool	MS Project and/or equivalent tool.	

E.III FISCAL AGENT SERVICES STATISTICS

This section provides statistical data to give offerors an understanding of the scope of the MMIS and associated operational functions. The information is provided for the last three (3) state fiscal years unless stated otherwise. Additional statistical information can be obtained by accessing the Statistical Record located on the DMAS website at http://www.dmas.virginia.gov/.

A. Claims Statistics

CLAIMS ADJUDICATED BY SUBMISSION MEDIA AND DISPOSITION FOR ALL PROGRAMS

	2005	2006	2007
CLAIMS ADJUDICATED (A, B, C, AND D)	37,849,301	35,853,280	31,488,566
CLAIMS SUBMITTED BY PROVIDERS (A AND B)	32,441,806	29,987,389	25,090,112
A. PAPER	5,833,183	5,070,424	4,223,981
- HOSPITAL INPATIENT	90,900	76,519	72,503
- NURSING HOME (SNF)	82,849	67,860	76,299
- HOSPITAL OUTPATIENT/HOME HEALTH	199,824	186,118	165,431
- PERSONAL CARE	114,825	101,374	106,794
- PRACTITIONER	3,489,069	3,167,647	2,647,946
- PHARMACY	77,774	41,975	7,676
- LAB	268,265	192,819	192,918
- TITLE -18 (MEDICARE)	1,023,171	1,129,600	925,409
* UB92/ UB04	162,337	174,672	115,258
* DMAS-30	860,834	954,928	810,151
- INTERMEDIATE CARE (ICF)	3,790	3,803	4,207
- DENTAL	453,240	76,634	1,592
- TRANSPORTATION	29,476	26,075	23,206
B. ELECTRONIC (837I, 837P, 837D, NCPDP)	26,608,623	24,916,965	20,866,131
- HOSPITAL INPATIENT	96,891	110,259	95,133
- NURSING HOME (SNF)	401,595	445,900	464,556
- HOSPITAL OUTPATIENT/HOME HEALTH	461,154	471,096	413,517
- PERSONAL CARE	355,452	370,469	378,712
- PRACTITIONER	4,727,272	4,931,519	5,133,991
- PHARMACY	14,621,944	12,423,344	8,039,708
* POINT OF SALE	14,474,178	12,347,022	8,039,708
* OTHER	147,766	76,322	0
- LAB	1,632,192	1,708,370	1,717,744
- TITLE -18 (MEDICARE)	4,220,431	4,406,760	4,574,065
* INSTITUTIONAL	540,521	437,246	487,049
* PROFESSIONAL	3,679,910	3,969,514	4,087,016
- INTERMEDIATE CARE (ICF)	26,926	24,493	26,172
- DENTAL	48,619	3,030	0
- TRANSPORTATION	16,147	21,725	22,533
C. CLAIMS GENERATED BY SYSTEM	5,313,763	5,806,654	6,082,181
- CAPITATION	4,298,052	4,910,861	5,357,501

- PCP MANAGEMENT	842,614	723,716	556,024
- CMM ADMINISTRATION FEES	5,255	5,014	4,989
- ASSESSMENTS	25,607	26,147	26,448
- NURSING HOME PHARMACY FEES	142,235	140,916	137,219
D. CLAIM ADJUSTMENTS/VOIDS ADJUDICATED	93,732	59,237	316,273
- INDIVIDUAL	11,088	7,821	6,871
- MASS	82,644	51,416	309,402
DISPOSITION	40,932,571	39,711,163	35,691,058
- PAID	26,631,825	24,611,241	21,006,661
- DENIED	11,217,476	11,242,039	10,481,905
- PENDED	3,039,105	3,833,380	4,175,464
- BUDGET PENDED	44,165	24,503	27,028
CLAIMS ADJUDICATED BY PROGRAM	37,849,301	35,853,280	31,488,566
- MEDICAID	35,659,074	33,680,674	29,245,827
- SLH	82,372	70,725	53,125
- FAMIS	706,224	806,680	887,826
- FAMIS PLUS	568,535	641,874	656,603
- TDO	66,631	28,150	31,184
- ADMINISTRATION (ASSESSMENTS)	10,733	10,701	10,920
- UNKNOWN	755,732	614,476	603,081
ENCOUNTERS PROCESSED (837I, 837P, 837D, NCPDP)	20,307,513	16,263,332	16,475,624
- HOSPITAL INPATIENT	118,832	143,777	82,929
- HOSPITAL OUTPATIENT/HOME HEALTH	1,121,707	797,312	733,487
- PERSONAL CARE	16,059	9,735	8,464
- PRACTITIONER	9,454,796	6,555,245	6,584,071
- PHARMACY	6,741,615	3,981,299	4,126,971
- LAB	1,234,295	904,279	910,869
- DENTAL	1,273,916	1,586,348	2,060,891
- TRANSPORTATION	346,293	2,285,337	1,967,942
PEND ACTIVITY BY DESTINATION	3,927,553	4,685,070	5,208,378
- CONTRACTOR	604,655	427,152	341,425
- DMAS	843,265	547,627	747,547
- RECYCLE	2,479,633	3,710,291	4,119,406
CHIRP TRANSACTIONS	830,893	750,899	704,780
- ONLINE	825,682	745,318	699,419
- BATCH	5,211	5,581	5,361

CLAIMS RELATED PAPER INPUT (DOCUMENTS)

	2005	2006	2007
CMS - 1500	2,286,576	2,021,445	1,769,521
PHARMACY	36,374	21,514	2,930
PHARMACY COMPOUND	2,652	1,218	227
DENTAL	148,210	20,410	564
TITLE 18 (DMAS-30)	559,134	627,465	514,719
ADJ/VOID	12,403	10,872	11,600
UB-92, UB-04	508,248	482,366	421,475
DMAS-03 (ATTACHMENTS)	8,803	23,553	20,537
LONG TERM CARE ASSESSMENTS	31,265	29,947	28,728
PRIOR AUTHORIZATION	285	279	31
PRIOR AUTHORIZATION SUPPORTING	199	200	1

B. Manual Checks

MEDICAID MANUAL CHECKS PROCESSED BY FISCAL AGENT

	2005	2006	2007
	1561	1235	752

FAMIS MANUAL CHECKS PROCESSED BY FISCAL AGENT

	2005	2006	2007
	87	79	31

C. Assessment Statistics

ASSESSMENT RECEIVED BY FISCAL AGENT TO PROCESS

	2005	2006	2007
JULY	2,115	2,870	1,844
AUGUST	1,546	2,278	1,987
SEPTEMBER	1,588	2,255	2,137
OCTOBER	3,919	2,079	1,819
NOVEMBER	1,893	1,896	1,922
DECEMBER	1,774	2,160	2,645
JANUARY	2,092	1,619	1,607
FEBRUARY	2,182	2,187	2,899
MARCH	1,899	2,320	2,785
APRIL	3,235	1,586	2,161
MAY	1,884	1,960	2,190
JUNE	1,480	2,937	2,452
TOTALS	25,607	26,147	26,448

D. System Generated Letter Statistics

NEW LETTER STATISTICS

	2005	2006	2007
	600,940	594,887	664,444

E. Recipient Statistics

ANNUAL UNDUPLICATED RECIPIENTS BY CATEGORY OF ELIGIBILITY AND AGE GROUP

	2005	2006	2007
TOTAL RECIPIENTS	777,313	810,919	805,411
UNDER 1	50,735	54,666	35,197
1-5	149,528	157,504	164,354
6-14	183,539	187,047	187,353
15-20	85,678	90,780	95,931
21-44	145,831	155,205	156,510
45-64	72,006	75,886	77,872
65-74	35,873	35,535	34,328
75-84	33,285	33,157	31,694
85/OVER	20,838	21,139	22,172
AGED	87,022	87,055	82,848
UNDER 1	0	0	0
1-5	0	0	1
6-14	0	0	0
15-20	0	0	0

21-44	0	0	3
45-64	275	456	17
65-74	32,798	32,458	29,118
75-84	33,148	33,047	31,567
85/OVER	20,801	21,094	22,142
BLIND AND DISABLED	137,402	140,739	145,346
UNDER 1	186	154	124
1-5	2,548	2,394	2,572
6-14	10,829	10,859	11,025
15-20	8,528	9,170	10,035
21-44	46,512	46,888	46,562
45-64	65,592	68,083	69,702
65-74	3,043	3,046	5,175
75-84	129	103	121
85/OVER	35	42	30
AFDC CHILD	434,425	455,658	445,311
UNDER 1	50,153	54,197	34,821
1-5	144,838	153,292	159,456
6-14	167,044	171,082	170,744
15-20	72,390	77,087	80,290
21-44	0	0	0
45-64	0	0	0
65-74	0	0	0
75-84	0	0	0
85/OVER	0	0	0
AFDC ADULT	98,718	108,672	111,028
UNDER 1	0	0	0
1-5	0	0	0
6-14	0	0	0
15-20	0	0	0
21-44	93,194	102,016	103,649
45-64	5,485	6,615	7,341
65-74	29	31	32
75-84	8	7	6
85/OVER	2	3	0
AFDC UNEMPLOYED/CHILD	287	223	217
UNDER 1	14	0	2
1-5	8	11	26
6-14	21	9	26
15-20	244	203	163
21-44	0	0	0
45-64	0	0	0
65-74	0	0	0
75-84	0	0	0
85/OVER	0	0	0
AFDC UNEMPLOYED/ADULT	6,709	6,966	6,962
UNDER 1	0	0	0
1-5	0	0	0
6-14	0	0	0
15-20	0	0	0
21-44	6,052	6,234	6,147
45-64	654	732	812
65-74	3	0	3
75-84	0	0	0
85/OVER	0	0	0
FOSTER CARE CHILD	12,750	11,606	13,699
UNDER 1	382	315	250
1-5	2,134	1,807	2,299
6-14	5,645	5,097	5,558
15-20	4,516	4,320	5,443
21-44	73	67	149
45-64	0	0	0
65-74	0	0	0

| 75-84 | 0 | 0 | |
| 85/OVER | 0 | 0 | 0 |

MONTHLY UNDUPLICATED RECIPIENTS: FEE-FOR-SERVICE PROGRAMS

	2005	2006	2007
JULY	235,285	239,916	189,775
AUGUST	222,909	225,957	193,257
SEPTEMBER	225,001	239,837	202,445
OCTOBER	246,734	224,691	193,267
NOVEMBER	227,285	226,368	191,722
DECEMBER	241,615	234,127	210,810
JANUARY	223,695	198,949	187,266
FEBRUARY	234,336	198,661	205,094
MARCH	234,699	228,660	220,557
APRIL	248,155	204,823	198,123
MAY	239,529	207,933	200,116
JUNE	227,569	210,086	201,374
AVERAGE	233,901	220,001	199,484

MONTHLY UNDUPLICATED RECIPIENTS: CAPITATED PROGRAMS

	2005	2006	2007
JULY	293,273	316,453	358,603
AUGUST	292,690	315,176	357,394
SEPTEMBER	292,677	337,740	360,208
OCTOBER	296,316	338,929	356,392
NOVEMBER	299,176	340,654	356,071
DECEMBER	304,861	353,569	355,693
JANUARY	309,299	357,391	355,801
FEBRUARY	313,018	360,703	356,015
MARCH	311,854	358,185	352,223
APRIL	316,015	358,199	369,769
MAY	307,531	359,335	355,396
JUNE	315,987	358,198	355,696
AVERAGE	304,391	346,211	357,606

ID CARDS MAILED TO RECIPIENTS

	2005	2006	2007
JULY	NA	NA	16,545
AUGUST	NA	NA	22,036
SEPTEMBER	NA	NA	19.684
OCTOBER	NA	NA	21,540
NOVEMBER	NA	20,302	19,351
DECEMBER	NA	18,562	17,267
JANUARY	NA	19,564	20,760
FEBRUARY	NA	17,871	18,213
MARCH	NA	21,708	22,895
APRIL	NA	16,172	20,450
MAY	NA	19,115	25,711
JUNE	NA	18,805	20,583
TOTALS	NA	169,807	245,035

RETURNED ID CARDS

2005	2006	2007
13,421	11,242	12,477

F. Provider Statistics

NUMBER OF ENROLLED PROVIDERS BY PROVIDER CLASS TYPE

DESCRIPTION	2005	2006	*2007
HOSPITAL, IN-STATE, GENERAL	97	86	96
STATE MENTAL HOSPITAL (AGED)	3	3	3
PRIVATE MENTAL HOSPITAL (INPATIENT PSYCH)	9	8	8
LONG STAY HOSPITAL	2	2	2
TB HOSPITAL	0	0	0
SKILLED NURSING HOME MENTAL HEALTH	1	1	1
STATE MENTAL HOSPITAL (LESS THAN AGE 21)	6	4	6
STATE MENTAL HOSPITAL (MED-SURG)	4	4	4
MEDICAL SURGERY - MENTAL RETARDED	3	1	1
SKILLED NURSING HOME NON MENTAL HEALTH	238	238	240
SKILLED NURSING FACILITY - MENTALLY RETARDED	1	1	1
LONG STAY INPATIENT HOSPITAL - MENTAL HEALTH	2	1	2
MED-SURG MENTAL HEALTH RETARDATION	0	0	0
REHAB HOSPITAL	25	25	28
INTERMEDIATE CARE FACILITY	63	64	29
INTERMEDIATE CARE FACILITY - MENTAL HEALTH	3	2	2
ICF - MENTALLY RETARDED - STATE OWNED	5	5	5
ICF - MENTALLY RETARDED - COMMUNITY OWNED	28	28	30
CORF (OUTPATIENT REHAB FACILITY)	4	3	3
PHYSICIAN	28,143	25,777	28879
LICENSED PROFESSIONAL COUNSELOR	1,070	691	901
TREATMENT FOSTER CARE PROGRAM	57	51	63
NURSE PRACTITIONER	1,085	822	1067
LICENSED PSYCHOLOGIST	0	0	0
CLINICAL PSYCHOLOGIST	1,058	738	789
CHIROPRACTOR	59	35	46
CHRISTIAN SCIENCE SNF	0	0	1
SKILLED NURSING FACILITY - STATE	1	1	1
INTERMEDIATE CARE FACILITY - STATE	1	1	1
PODIATRIST	390	341	382
OPTOMETRIST	716	939	1046
OPTICIAN	130	92	75
NURSE ANESTHETIST	0	0	0
CLINICAL NURSE SPECIALIST - PSYCHIATRIC ONLY	89	57	74
NURSE MIDWIFE	95	73	83
CASE MANAGEMENT	21	8	11
PRENATAL NUTRITION	0	0	0
HEARING AID	0	0	0
RESPIRATORY THERAPIST	0	0	0
DENTIST	1,142	581	541
DENTAL CLINIC	76	40	64
DENTAL CLINIC MH/MR	0	0	0
SPEECH/LANGUAGE PATHOLOGIST	0	0	0
AUDIOLOGIST	131	119	157
OCCUPATIONAL THERAPIST	0	0	0
HOSPICE	63	66	79
RESPITE CARE	320	265	312
ADULT DAY HEALTH CARE	60	52	52
AMBULATORY SURGICAL CENTER	55	54	62
RENAL UNIT	167	150	183
HEALTH DEPARTMENT CLINIC	124	98	122
FEDERALLY QUALIFIED HEALTH CENTER	55	52	64
RURAL HEALTH CLINIC	55	45	51
PHYSICAL THERAPIST	0	0	0
PERSONAL CARE	376	317	368
MENTAL HEALTH/MENTAL RETARDATION	866	552	840
REHAB AGENCIES	145	135	142
HOME HEALTH AGENCY - STATE	8	7	8

HOME HEALTH AGENCY - PRIVATE	196	183	188
PHARMACY	1,715	1,648	1,751
FAMILY CAREGIVER TRAINING	30	14	18
DURABLE MEDICAL EQUIPMENT/SUPPLIES	1,557	1,357	1,529
PRIVATE DUTY	103	75	90
PROSTHETIC SERVICES	58	51	57
ELDERCARE PROGRAM	0	0	0
HMO MEDALLION II - IMMUNIZATION	5	1	1
HMO OPTIONS - IMMUNIZATION	0	0	0
INDEPENDENT LABORATORY	146	128	155
SUBSTANCE ABUSE CLINIC (CMSIP)	0	0	0
EDUCATION SERVICES	120	57	104
CASE MANAGEMENT WAIVER	433	327	384
HEAD START CLINIC	0	0	0
MENTAL RETARDATION WAIVER SERVICES	0	0	0
LICENSED CLINICAL SOCIAL WORKER	1,659	1,108	1,367
PSYCH RESIDENTIAL INPATIENT FACILITY	56	76	103
LICENSED SOCIAL WORKER	0	0	0
ASSISTED LIVING	219	154	160
TRANSPORTATION	308	176	185
OUT-OF-STATE TRANSPORTATION	4	8	8
OUT-OF-STATE EMERGENCY AIR AMBULANCE	6	5	4
OUT-OF-STATE REHAB HOSPITAL	12	7	10
OUT-OF-STATE INTERMEDIATE CARE FACILITY	0	0	0
HMO MEDALLION II	8	8	7
GROUP	5,183	0	2,224
HMO OPTIONS	0	0	0
OUT-OF-STATE SUPPLY EQUIPMENT	9	3	3
OUT-OF-STATE HOSPITAL	583	531	829
OUT-OF-STATE SKILLED CARE FACILITY	4	5	5
OUT-OF-STATE CLINIC	0	0	0
OUT-OF-STATE HOME HEALTH	1	1	0
OUT-OF-STATE PHYSICIAN	933	811	1,590
OUT-OF-STATE PHARMACY	5	0	2
OUT-OF-STATE DENTAL	2	3	2
OUT-OF-STATE LABORATORY	32	28	43
MEDICARE CROSS OVER	4,314	2,558	4,144
NON-MEDICAID TDO	0	17	17
MARRIAGE AND FAMILY THERAPIST	0	13	20
TOTALS	54,753	41,988	51,925

G. Pharmacy Help Desk and Ad Hoc Statistics by Calendar Year

PHARMACY HELP DESK STATISTICS BY CALENDAR YEAR

	CY 2005	CY 2006	CY 2007
AVERAGE NUMBER OF CALLS PER WEEK	NA	451	488
AVERAGE NUMBER OF CALLS PER BUSIEST DAY OF WEEK	NA	131	130
AVERAGE PEAK QUEUE PER BUSIEST DAY OF WEEK	NA	15	15
AVERAGE LENGTH OF CALL	NA	2:48	3:58
TOTAL NUMBER OF CALLS	NA	23,467	25,421

ESTIMATED PHARMACY HELP DESK AD HOC REQUEST RECEIVED BY CALENDAR YEAR

	CY 2005	CY 2006	CY 2007
	NA	NA	24

H. ARS Statistics

NUMBER OF ARS CONNECTS

	2005	2006	2007
JULY	NA	124682	109481
AUGUST	NA	102880	176696
SEPTEMBER	NA	131341	147890
OCTOBER	NA	107616	122593
NOVEMBER	NA	102108	114473
DECEMBER	NA	124508	148637
JANUARY	NA	112605	126833
FEBRUARY	NA	118345	130621
MARCH	NA	152145	166308
APRIL	NA	118048	127011
MAY	NA	116211	131688
JUNE	NA	141121	152681
TOTALS	NA	1,451,610	1,561,481

ARS HELP DESK REPRESENTATIVE AVERAGE CALL TIME BY CALENDAR YEAR

	CY 2005	CY 2006	CY 2007
JANUARY	NA	NA	NA
FEBRUARY	NA	NA	2:52
MARCH:	NA	NA	4:26
APRIL	NA	NA	5:01
MAY	NA	NA	4:19
JUNE	NA	NA	3:41
JULY	NA	NA	4:07
AUGUST	NA	NA	4:29
SEPTEMBER	NA	NA	4:45
OCTOBER	NA	NA	3:39
NOVEMBER	NA	NA	3:48
DECEMBER	NA	NA	3:36
Total Avg ACD Time	NA	NA	3:59

I.   MediCall Statistics

NUMBER OF MEDICALL CONNECTS

	2005	2006	2007
JULY	NA	212534	144116
AUGUST	NA	175863	153537
SEPTEMBER	NA	219901	193279
OCTOBER	NA	182705	156721
NOVEMBER	NA	162565	141582
DECEMBER	NA	206583	168537
JANUARY	NA	180253	169284
FEBRUARY	NA	176380	148935
MARCH	NA	218278	150608
APRIL	NA	162903	189543
MAY	191,379	160424	149144
JUNE	176,164	168537	146045
TOTALS	367,543	2,226,926	1,911,331

MEDICALL HELP DESK REPRESENTATIVE AVERAGE CALL TIME DURATION BY CALENDAR YEAR

	CY 2007	CY 2007
	MediCall 1	MediCall 2
JANUARY	NA	NA
FEBRUARY	2:18	1:53
MARCH	2:18	1:52
APRIL	2:22	1:57
MAY	2:24	1:58
JUNE	2:26	1:58

JULY		2:24	1:58
AUGUST		2:26	1:58
SEPTEMBER		2:29	2:00
OCTOBER		2:30	2:01
NOVEMBER		2:01	2:48
DECEMBER		2:52	2:23
M-1 AND M-2 AVERAGE TIME IN VDN		2:24	

NUMBER OF MEDICALL CALLS REFERRED TO HELP DESK REPRESENTATIVE

	2005	2006	2007
JULY	NA	1890	1283
AUGUST	NA	1556	1264
SEPTEMBER	NA	1590	1757
OCTOBER	NA	1600	1360
NOVEMBER	NA	1281	1110
DECEMBER	NA	1656	1393
JANUARY	NA	1518	1024
FEBRUARY	NA	1465	1272
MARCH	NA	1988	1643
APRIL	NA	1541	1111
MAY	1,391	1515	1044
JUNE	1,876	1754	1114
Totals	3,267	19,354	15,375

J. EDI Statistics

NUMBER OF BATCH EDI INBOUND TRANSACTIONS

	2005	2006	2007
837 PROFESSIONAL	14,491,332	19,738,859	24,272,033
837 DENTAL	510,421	2,547,705	2,234,517
837 INSTITUTIONAL	1,801,030	2,210,275	2,685,860
NCPDP BATCH 1.0	3,687,800	3,749,646	4,522,964
270	35,589	1,487,027	4,735,569
276	NA	1,510	332

NUMBER OF BATCH EDI OUTBOUND TRANSACTIONS

	2005	2006	2007
271	108,883	1,525,158	4,734,466
835	13,270,179	12,249,416	12,385,161
277U	226,787	242,472	285,130
820	4,630,672	5,168,331	5,648,312
271U	6,770,033	6,147,933	5,996,734
834	30,144,270	82,263,490	88,363,993
277	NA	572	629

NUMBER OF ONLINE EDI INBOUND TRANSACTIONS

	2005	2006	2007
NCPDP 5.1 POS	14,621,944	12,423,344	8,039,708
270/271 REAL-TIME - SWIPE CARD/ELIGIBILITY VENDOR TRANS.	NA	2,752,336	3,204,743
276/277 REAL-TIME - ONLINE STATUS REQUEST	847,355	1,013,133	1,009,275

ESTIMATED NUMBER OF EDI HELP DESK PHONE CALLS RECEIVED

	2005	2006	2007
JANUARY	950	850	850
FEBRUARY	850	800	900
MARCH	900	900	950
APRIL	875	800	925

MAY	900	750	900
JUNE	900	800	950
JULY	850	775	900
AUGUST	900	850	850
SEPTEMBER	875	800	800
OCTOBER	850	750	850
NOVEMBER	900	750	850
DECEMBER	850	750	800

ESTIMATED EDI HELP DESK AVERAGE PHONE CALL DURATION

	2005	**2006**	**2007**
	25 min	25 min	25 min

NUMBER OF EDI TRADIING PARTNERS

	2005	**2006**	**2007**
	450	595	710

K. Information Service Request (ISRS) Statistics

NUMBER OF SOFTWARE/ PROGRAM IMPACTED ISRS

	2005	**2006**	**2007**
	465	393	204

NUMBER OF MAINTENANCE/ RESEARCH/ AD HOC ISRS

	2005	**2006**	**2007**
	194	167	113

L. Paper Document Storage

DOCUMENT STORAGE AS OF 5-6-08

Area	Documents Stored	Description
CLAIMS	500,000 Paper Claims + Attachments	Approximate Based on Average 20 Days of Claims. Note: Documents are Destroyed After 20 Days.
FINANCE	81 Boxes	Check Void/Re-Issue Documents (forms, checks, RAs)
IT	361 Boxes	Historical ISRs
IT	75 Boxes	ACF2 Security Forms - 5 Years

NA = Not Available

APPENDIX E.IV

M E D I C A I D   B A N K   A C C O U N T S

The Contractor will enter an agreement between the Commonwealth of Virginia Department of Treasury, Department of Information Technology (DIT), and Department of Medical Assistance Services (DMAS) and a State depository bank to be named or arranged by the Commonwealth. The Contractor will establish a "zero balance account" with the selected bank for the payment of benefits under the Medicaid program. The Treasury will establish a bank trust account, which will be funded based on the volume of Medicaid payments. The Contractor will advise DMAS of the exact dollar amount of each weekly remittance (disbursement) cycle, prior to mailing of checks. The purpose of the Medicaid trust account is to fund the "zero balance account" on a daily basis for the checks paid. The Commonwealth will fund the Medicaid trust account based on the information provided by the Contractor for each week's disbursements. The bank shall not be obligated to pay checks and create an overdraft in the "zero balance account." The Contractor shall incur no liability for checks which are properly drawn on the "zero balance account" and issued to Medicaid providers. At the beginning of each State fiscal year, (July 1), the Contractor will open a new "zero balance account." Payments will continue to be made on the old "zero balance account" for outstanding checks for a period of seven (7) months at which time the account will be closed. The Contractor is responsible for the cost of the "zero balance account," for insuring checks are available when needed, and for reconciliation and control over its use. Copies of "zero balance account" reconciliations and bank statements will be provided monthly to DMAS. Contractor procedures for handling the "zero balance account" must be reviewed and approved by DMAS prior to its use.

The Contractor shall also provide for the payment of providers through electronic funds transfer (EFT). Provision of EFT will be in accordance with procedures prescribed by the Treasury and the Commonwealth's Department of Accounts.

The Contractor shall provide to DMAS and the Treasury an annual statement from its external auditor that a review of the company's internal accounting controls reveals no conditions believed to be a material weakness in the proper administration of the Medicaid program in accordance with sound business principles. The written statement shall be provided within ninety (90) days of the close of the Contractor's fiscal year.

Fiscal Agent Services Contract

between

The Department of Medical Assistance Services

and

Contractor

FISCAL AGENT SERVICES CONTRACT
TABLE OF CONTENTS

FISCAL AGENT SERVICES CONTRACT

This FISCAL AGENT SERVICES CONTRACT ("Contract") is entered into by and between the Department of Medical Assistance Services (DMAS) (Agency), an agency of the Commonwealth of Virginia, and _____ ("Contractor"), a corporation headquartered at [address] to be effective as of _____, 20__ ("Effective Date").

1. **PURPOSE AND SCOPE**

   The purpose of this Contract is to require support services to be performed by the Contractor known as:

   - FISCAL AGENT SERVICES (FAS)

   This Contract sets forth the terms and conditions under which a Contractor shall provide these services to DMAS.

2. **DEFINITIONS**

   A. **Agent**

   Includes any third party independent agent representing an entity, either the Contractor or the Agency.

   B. **Contract**

   The term Contract refers to the Entire Contract as stated in section **20.T Entire Contract** clause.

   C. **Contractor**

   Includes the Contractor and any of its Affiliates (i.e. an entity that controls, is controlled by, or is under common control with Contractor).

   D. **Centers for Medicare and Medicaid Services**

   CMS is the federal agency responsible for administering the Medicare, Medicaid, SCHIP (State Children's Health Insurance), HIPAA (Health Insurance Portability and Accountability Act), CLIA (Clinical Laboratory Improvement Amendments), and several other health-related programs. Additional information regarding CMS and its programs is available at http://www.cms.hhs.gov/.

   E. **Computer Virus**

   Any malicious code, program, or other internal component (e.g., computer virus, computer worm, computer time bomb, or similar component), which could damage, destroy, alter or disrupt any computer program, firmware, or hardware or which could, in any manner, reveal, damage, destroy, alter or disrupt any data or other information accessed through or processed by such software in any manner.

   F. **Agency's Confidential Information**

   Any confidential or proprietary information of the Agency that is disclosed in any manner, including oral or written, graphic, machine readable or other tangible form, to Supplier in connection with or as a result of discussions related to this Contract, and which at the time of disclosure either (i) is marked as being "Confidential" or "Proprietary", (ii) is otherwise reasonably identifiable as the confidential or proprietary information, or (iii) under the circumstances of disclosure should reasonably be considered as confidential or proprietary information.

   G. **Deliverable**

   The tangible embodiment of products, services, processes, procedures, or plans that are created during the Takeover and Operations Phases of the Contract as defined in the DMAS Request for Proposal (2008-02).

H. Department of Medical Assistance Services
The Department of Medical Assistance Services (DMAS) is the Medicaid "single state agency" in Virginia tasked with the administration of the Title XIX Program and other state and locally funded health financing programs.

I. Party
Contractor or Agency.

J. Requirements
The functional, performance, operational, compatibility, acceptance testing criteria and other parameters and characteristics of the Service(s) and Deliverables as set forth in the Entire Contract and such other parameters, characteristics, or performance standards that may be agreed upon in writing by the Parties. [In case of conflict, see the Entire Contract clause for order of precedence.]

K. Services
Any work performed or Services provided including provision to Agency of any Deliverable, by Contractor under this Contract. Services include the discovery, creation, or development of Work Product, if any.

L. Software
The programs and code provided by Contractor under this Contract as a component(s) of the Solution, and any subsequent modification of such programs and code, excluding Work Product.

M. Software Publisher
The licensor of the Software provided by Contractor under this Contract.

N. Solution
Any work performed or Services provided including any procedures, processes, Software, hardware and the configuration thereof that satisfies the requirements of this Contract.

O. Virginia Information Technologies Agency
Virginia Information Technologies Agency (VITA) is an agency of the Commonwealth of Virginia pursuant to Chapter 20.1 of Title 2.2 (§§2.2-2005 et seq.) of the Code of Virginia.

P. Work Product
Inventions, combinations, machines, methods, formulae, techniques, processes, improvements, software designs, computer programs, strategies, specific computer-related know-how, data and original works of authorship (collectively, the "Work Product") discovered, created, or developed by Contractor, or jointly by Contractor and Agency in the performance of this Contract. Work Product shall not include configuration of software.

3. TERM AND TERMINATION

A. Contract Term
This Contract is effective and legally binding as of the Effective Date and, unless terminated as provided for in this section, shall continue to be effective and legally binding with the Contract Term defined by a Takeover Phase from the Effective Date through June 30, 2010 and an Operations Phase that begins on July 1, 2010 and ends June 30, 2014. DMAS, in its sole discretion, may extend this Contract with up to four (4) one-year option periods that would run from July 1 through June 30 for each period. DMAS will issue a modification to this Contract stating the extension period, not less than thirty (30) days prior to the expiration of any current term.

B. Termination for Convenience
DMAS may terminate this Contract, in whole or in part, upon not less than thirty (30) days prior written notice at any time for any reason.

C. **Termination for Breach**
DMAS shall have the right to terminate this Contract, in whole or in part, for breach of Contractor. Contractor shall be deemed in breach in the event that Contractor fails to meet any material obligation set forth in this Contract.

If DMAS deems the Contractor to be in breach, Agency shall provide Contractor with notice of breach and allow Contractor to cure the breach in a time period determined by DMAS. If Contractor fails to cure the breach as noted, Agency may immediately terminate this Contract, in whole or in part. Any such termination shall be deemed a Termination for Breach.

In addition, if Contractor is found by a court of competent jurisdiction to be in violation of or to have violated 31 USC 1352 or if Contractor becomes a party excluded from Federal Procurement and Non-procurement Programs, DMAS may immediately terminate this Contract, in whole or in part, for breach. DMAS shall provide written notice to Contractor of such termination and Contractor shall provide written notice to DMAS if Contractor is charged with violation of 31 USC 1352 or if federal debarment proceedings are instituted against Contractor.

D. **Termination for Non-Appropriation of Funds**
All payment obligations under this Contract are subject to the availability of legislative appropriations at the federal, state, or local level, for this purpose. In the event of non-appropriation of funds, irrespective of the source of funds, for the items under this Contract, DMAS may terminate this Contract, in whole or in part, for those goods or services for which funds have not been appropriated or for which funds are not available. Termination by Contractor will not be considered.

E. **Transition of Services**
In accordance with the RFP2008-02 and the Contract, prior to or upon expiration or termination of this Contract and at the request of DMAS, Contractor shall provide all assistance as DMAS may reasonably require to transition Services to any other Contractor with whom DMAS contracts for provision of services identical or similar to the Services provided by Contractor pursuant to this Contract. This obligation may extend beyond expiration or termination of the Contract for a period not to exceed sixty (60) days. Contractor shall provide such assistance at no charge or fee to DMAS.

F. **Termination Because of Financial Instability**
If DMAS determines that there are verifiable indicators that the Contractor will become financially unstable to the point of threatening the ability of DMAS to obtain the Services provided for under the Contract, DMAS will require verification of the Contractor's financial situation. If from the information DMAS determines the Contractor will inevitably become financially unstable, DMAS may terminate the Contract before this occurs. If the Contractor ceases to conduct business in the normal course, makes a general assignment for the benefit of creditors, or suffers or permits the appointment of a receiver for its business or assets, DMAS may, at its option, immediately terminate this Contract effective at the close of business on a date specified by DMAS. In the event that DMAS elects to terminate the Contract under this provision, the Contractor shall be notified in writing, by either certified or registered mail, specifying the date of termination. The Contractor shall submit a written waiver of the licensee's rights under the federal bankruptcy laws.

In the event of the filing of a petition in bankruptcy by a subcontractor, the Contractor shall immediately so advise DMAS. The Contractor shall ensure that all tasks that have been delegated to its subcontractor(s) are performed in accordance with the terms of this Contract.

4. **DELIVERY AND INSTALLATION (TAKEOVER PHASE)**

A. **Scheduling**
Contractor shall deliver the Solution, including any component parts, and complete performance of Services according to the Contract.

Contractor shall make available all appropriate and/or related Documentation at the time of delivery of the relevant component of the Solution. Any Solution component delivered without the appropriate and required Documentation shall be considered "shipped short" until the applicable Documentation has been received or it will be considered unacceptable by DMAS.

B. Deployment of Solution

1. Contractor Deployment of Solution

Contractor is required to deploy the Solution in accordance with the work plan and Test Plan. Deployment shall include the installation of any Software component and, if agreed, any hardware component, of the Solution. Contractor shall conduct all testing in accordance with the Test Plan to determine that the Solution is properly deployed and fully ready for productive use, and shall supply Agency with a copy of the results of the diagnostic evaluation promptly after completion of deployment.

Contractor agrees that failure to deploy the Solution in accordance with the work plan shall constitute a material breach of this Contract resulting in damages to Agency.

2. Documentation of Software Configuration

If the Solution includes configuration of Software by Contractor, Contractor shall provide to Agency documentation containing a description of the configuration. Such documentation shall be sufficiently detailed such that any appropriately trained employee or Agent of Agency may reconstruct the configuration of the Software.

5. ACCEPTANCE (TAKEOVER PHASE)

A. Software and Deliverable Acceptance Criteria

Software and Deliverables shall be deemed accepted when Agency determines that such Software and Deliverables successfully operate in accordance with the Entire Contract and Agency notifies Offeror in writing of its acceptance. At a minimum, acceptance criteria for Software and Deliverables, and for the Solution as a whole, shall ensure that all of the functionality described in the Requirements set forth in the RFP and required by Agency has been delivered to Agency. Acceptance of any one Deliverable shall not imply Agency's concurrence that the Deliverable will function properly with or within the Solution. Contractor shall be responsible for ensuring that all Deliverables function properly within the Solution. Should a previously Accepted Deliverable require further modification in order to work properly with or within the Solution, Contractor shall be responsible for all costs associated with such modification.

Agency agrees to commence acceptance testing in accordance with the work plan and the DMAS approved Test Plan. Contractor agrees to provide to Agency such assistance and advice as Agency may reasonably require, at no additional cost. Agency shall provide to Contractor written notice of acceptance upon completion of successful acceptance testing.

B. Software and Deliverable Cure Period

Contractor shall correct any non-conformities identified hereunder and shall thereafter re-submit such previously non-conforming Software or Deliverable for re-testing within fifteen (15) days of written notice of non-conformance, or as otherwise agreed between Agency and Contractor. In the event that Contractor fails to deliver Software or a Deliverable which meets the Requirements, Agency may, in its sole discretion: (i) reject the Software or Deliverable in its entirety and recover amounts previously paid hereunder; (ii) issue a "partial acceptance" of the Software or Deliverable with an equitable adjustment in the price to account for such deficiency; or (iii) conditionally accept the applicable Software or Deliverable while reserving its right to revoke acceptance if timely correction is not forthcoming. Failure of the Software or a Deliverable to meet, in all material respects, the specifications and performance standards after the second set of acceptance tests shall constitute a breach by Contractor. In the event of such breach, Agency may, at its sole discretion, terminate its order, in whole or in part, for the Solution to be provided thereunder by Contractor. Contractor shall accept return of any products or Software provided to Agency, and Contractor shall refund any monies paid by Agency pursuant to the order, or portion

thereof terminated, the Solution contemplated under the order being considered as a whole not as a sum of its parts. All costs of de-installation and return of product or Software shall be borne by Contractor. This remedy is in addition to and not in lieu of any other remedies of Agency set forth herein or available at law or in equity.

6. SERVICES

A. Services

All Services shall be performed at the times and location set forth in the Contract.

B. Acceptance

Services shall be deemed accepted when DMAS determines that such Services meet the Requirements set forth in the Contract. If applicable, Contractor shall be responsible for ensuring that any individual Deliverable functions properly with any other Deliverable provided pursuant to the Contract. Should a previously Accepted Deliverable require further modification in order to work properly with any other Deliverable, Contractor shall be responsible for all costs associated with such modification.

C. Service Level Methodology

The Service Level Methodology that applies to the Service Level Agreements (SLAs) against which Contractor's performance is measured, is defined in Appendix A.II: Service Level Methodology. In RFP 2008-02 Section 7 Appendix E.II Fiscal Agent Services Service Level Agreements are required by the Fiscal Agent Services Contract.

7. RIGHTS TO WORK PRODUCT

DMAS is a state agency of the Commonwealth of Virginia, and, therefore, any license to pre-existing work shall be held by, and all rights in, title to, and ownership of Work Product shall vest with the Commonwealth.

A. Work Product

DMAS and Contractor each acknowledge that performance of this Contract will result in a Work Product (s). The Parties shall document all Work Product specifications and such specifications shall become part of this Contract. Contractor agrees that it shall promptly and fully disclose to the Commonwealth any and all Work Product generated, conceived, reduced to practice or learned by Contractor or any of its employees, either solely or jointly with others, during the term or performance of this Contract, which in any way relates to the business of the Commonwealth or DMAS. Contractor further agrees that neither Contractor nor any of Contractor's employees, nor any party claiming through Contractor or Contractor's employees, shall, other than in the performance of this Contract, make use of or disclose to others any proprietary information relating to the Work Product. All Services performed hereunder shall include delivery of all Work Product source code, object code, executables, and documentation. Contractor shall at no time deny access to the Work Product, regardless of form, by the Commonwealth.

B. Ownership

Contractor agrees that, whether or not the Services are considered "works made for hire" or an employment to invent, all Work Product discovered, created or developed under this Contract shall be and shall remain the sole and exclusive property of the Commonwealth of Virginia and its assignees. Except as specifically set forth in writing and signed by both DMAS and Contractor, Contractor agrees that the Commonwealth shall have all rights with respect to any Work Product discovered, created or developed under this Contract without regard to the origin of the Work Product. In all instances, the Commonwealth of Virginia owns any software designed, developed, installed, or enhanced with 90 % Federal Financial Participation (FFP). CMS has a royalty-free, nonexclusive, and irrevocable license to reproduce, publish or otherwise use and authorize others to use for federal government purposes, software, modifications to software, and documentation that is designed developed, installed or enhanced with 90 % FFP.

If and to the extent that Contractor may, under applicable law, be entitled to claim any ownership interest in the Work Product, Contractor hereby irrevocably transfers, grants, conveys, assigns

and relinquishes exclusively to the Commonwealth any and all right, title and interest it now has or may hereafter acquire in and to the Work Product under patent, copyright, trade secret and trademark law in perpetuity or for the longest period otherwise permitted by law. If any moral rights are created, Contractor waives such rights in the Work Product. Contractor further agrees as to the Work Product to assist the Commonwealth in every reasonable way to obtain and, from time to time, enforce patents, copyrights, and other rights and protection, and in protecting trade secrets, with respect to such Work Product, and to that end, Contractor and its employees shall execute all documents for use in applying for and obtaining such patents, copyrights, and other rights and protection with respect to such Work Product, as the Commonwealth may reasonably request, together with any assignments thereof to the Commonwealth or entities designated by the Commonwealth.

C. Pre-existing Work

If and to the extent that any pre-existing rights are embodied or reflected in the Solution Deliverables, Contractor hereby grants to the Commonwealth an irrevocable, perpetual, non-exclusive, worldwide, royalty-free right and license to (i) use, modify, transmit, execute, reproduce, display, perform, distribute copies of and prepare derivative works based upon such pre-existing rights and any derivative works thereof, and (ii) authorize others to do any or all of the foregoing. It is expressly understood that "perpetual" license rights shall commence upon delivery of the Solution Deliverables and shall exist in perpetuity unless otherwise terminated in accordance with the applicable provisions of the Contract.

D. Return of Materials

Upon termination of this Contract, Contractor shall immediately return to DMAS all copies, in whatever form, of any and all Confidential Information, Work Product and other properties provided by DMAS, which are in Contractor's possession, custody or control.

8. CONTRACTOR PERSONNEL

A. Selection and Management of Contractor Personnel

Contractor shall take such steps as may be necessary to ensure that all Contractor personnel performing Services under this Contract are competent and knowledgeable of the contractual arrangements. Contractor shall be solely responsible for the conduct of its employees, agents, and subcontractors, including all acts and omissions of such employees, agents, and subcontractors, and shall ensure that such employees and subcontractors comply with Agency's site security, information security and personnel conduct rules, as well as applicable federal, state and local laws, including export regulations. DMAS reserves the right to require the immediate removal from its premises of any employee, subcontractor or agent of Contractor whom DMAS believes has failed to comply or whose conduct or behavior is unacceptable or unprofessional or results in a security or safety breach. Where it is possible and legal, DMAS encourages the Contractor to give consideration to hire any resources that have experience supporting DMAS services in the past.

B. Contractor Personnel Supervision

Contractor acknowledges that the Contractor, or any of its agents, contractors, or subcontractors, is and shall be the employer of Contractor personnel, and shall have sole responsibility to supervise, counsel, discipline, review, evaluate, set the pay rates of and terminate the employment of Contractor personnel.

C. Key Staff

The Contract designates certain of Contractor's personnel as Key Staff. Contractor's obligations with respect to Key Staff shall be as described in section 4.2.3 Key Staff Requirements of the RFP. Failure of Contractor to perform in accordance with such obligations may be deemed a breach of this Contract.

Subcontractors
Contractor shall not use subcontractors to perform the Services unless specifically authorized in writing to do so by DMAS. If a part of this Contract is supported in whole or in part with federal funds, Contractor shall not subcontract any Services to any subcontractor that is a party excluded from Federal Procurement and Non-procurement Programs. In no event shall Contractor subcontract any Services to any subcontractor which is debarred by the Commonwealth of Virginia or which owes back taxes to the Commonwealth and has not made arrangements with the Commonwealth for payment of such back taxes.

9. GENERAL WARRANTY AND REPRESENTATIONS
With respect to the Services provided by Contractor, Contractor represents and warrants the following:

A. Ownership
Contractor has the right to provide the Services or Solutions, including Deliverables, without violating or infringing any law, rule, regulation, copyright, patent, trade secret or other proprietary right of any third party.

B. Services, Solutions, Deliverables and Documentation
Contractor warrants the following with respect to the Services, Solutions, Deliverables and Documentation known throughout this section as Solution:
i). The Solution is pursuant to the Request for Proposal ("RFP"), and therefore such Solution shall be fit for the particular purposes specified by Agency in the RFP and in this Contract, and Contractor is possessed of superior knowledge with respect to the Solution and is aware that Agency is relying on Contractor's skill and judgment in providing the Solution;
ii). If the RFP specified the hardware equipment Agency shall use to run the Solution, then Contractor warrants the Solution, and any subsequent Solution component Software release, is compatible with and shall perform well with such hardware equipment;
iii). No corrections, workarounds or future Software or Solution component Software releases provided by Contractor under the warranty provisions or under maintenance shall degrade the Solution, cause any other warranty to be breached, or require Agency to acquire additional hardware equipment or software.

C. Contractor's Viability
Contractor warrants that it has the financial capacity to perform and continue to perform its obligations under this Contract; that Contractor has no constructive or actual knowledge of an actual or potential legal proceeding being brought against Contractor that could materially adversely affect performance of this Contract; and that entering into this Contract is not prohibited by any contract, or order by any court of competent jurisdiction.

D. Contractor's Past Experience
Contractor warrants that the Solutions have been successfully performed for a non-related third-party without significant problems due to the Solution or Contractor.

E. Performance
i). The Solution shall be implemented and all Services shall be performed with care, skill and diligence, consistent with or above applicable professional standards currently recognized in its profession, and Contractor shall be responsible for the professional quality, technical accuracy, completeness and coordination of all plans, information, specifications, Deliverables and Services furnished under this Contract;
ii). The Solution pursuant to the Request for Proposal ("RFP") and any associated Deliverables shall be fit for the particular purposes specified by DMAS in the RFP and in this Contract, and Contractor is possessed of superior knowledge with respect to the Solution and Deliverables and is aware that DMAS is relying on Contractor's skill and judgment in providing the Solution and Deliverables;
iii). The documentation which Contractor is required to provide under this Contract shall be sufficient in detail and content to allow a user/programmer to understand and fully utilize the Deliverables without reference to any other materials or information.

F. Malicious Code

Contractor has used its best efforts through quality assurance procedures to ensure that there are no Computer Viruses or undocumented features in the Solution at the time of delivery to Agency. Contractor warrants that the Solution does not contain any embedded device or code (e.g., time bomb) that is intended to obstruct or prevent Agency's use of the Solution. Notwithstanding any rights granted under this Contract or at law, Contractor hereby waives under any and all circumstances any right it may have or may hereafter have to exercise Electronic Self-Help. Contractor agrees that Agency may pursue all remedies provided under law in the event of a breach or threatened breach of this Section, including injunctive or other equitable relief.

G. Limited Warranty Period and Remedy

During the warranty period which is the contractual period, Contractor warrants that the Solution shall meet or exceed the Requirements. Contractor shall correct, at no additional cost to DMAS, all defects identified during the warranty period that result in a failure of the Solution to meet the Requirements. All Requirements are included in the Contract and SLAs, and will be monitored according to the Contract and SLAs. The SLAs do not include defects attributed to the prior contractor.

H. Open Source

Contractor will notify Agency if the Solution contains any Open Source code and identify the specific Open Source License that applies to any embedded code dependent on Open Source code, provided by Contractor under this Contract.

10. TRAINING AND DOCUMENTATION

Any training or documentation necessary for DMAS to have full benefit of the Services shall be deemed included in the scope of the Contract unless expressly excluded.

11. ORDERS AND COMPENSATION

A. Order

Contractor shall not accept any order from DMAS if such order is to be funded, in whole or in part, by federal funds and if, at the time the order is placed, Contractor is not eligible to be the recipient of federal funds as may be noted on any of the Lists of Parties Excluded from Federal Procurement and Non-procurement Programs.

B. Purchase Price and Price Protection

Exhibit A Final Cost Schedules sets forth the fees and the appropriate Commonwealth discounts. The fees established for the period July 1, 2010 through June 30, 2011 will be increased or decreased effective July 1, 2011 and each year of operations thereafter by the increase or decrease of the All Urban Consumers category of the CPI-W section of the Consumer Price Index of the United States Bureau of Labor Statistics for the latest twelve months for which statistics are available. Any such change in price shall be submitted to DMAS in writing in accordance with the above sixty (60) days prior to July 1 of each year and shall become effective on that date.

Invoice Procedures

For an order with a period of performance not expected to exceed one (1) month, Contractor shall remit each invoice to the "bill-to" address provided with the order promptly after all Deliverables or Services have been accepted and in accordance with the milestone payment schedule, if any, in the order. For a time and materials type change order with a period of performance expected to exceed one (1) month, Contractor shall submit invoices to Agency monthly in arrears, unless otherwise specified in such change order. For other payments Contractor shall invoice in accordance with the milestone payment schedule, if any, in the Contract; if such Contract does not include a milestone payment schedule, Contractor shall invoice after all Deliverables or Services have been accepted by Agency. No invoice shall include any costs other than those identified in the executed Contract, which costs shall be in accordance with Exhibit A. Without limiting the foregoing, all shipping costs are the Contractor's responsibility except to the extent such charges are identified in Exhibit A, or as noted in the Contract. Any cost reimbursable work

performed or expenses incurred by Contractor prior to the effective date of the order shall not be billed to or reimbursed by Agency. Invoices issued by the Contractor shall identify at a minimum:

i).   Contract Date, Contract Number, Order Number, and Federal Employer Identification Number (FEIN);
ii).   Deliverable or Service Type, or Project Milestone, and Description;
iii). Quantity, charge and extended pricing for each Deliverable and/or Service item or milestone; or for a time and materials Services, the name(s) of the assigned employee(s), the hourly rate(s), and the number of hours worked.

Any terms included on Contractor's invoice shall have no force or effect and will in no way bind Agency.

C. Purchase Payment Terms
Contractor is responsible for the accuracy of its billing information. Contractor agrees not to issue invoices hereunder until Services have been performed or milestones have met acceptance criteria. Charges for Services accepted more than ninety (90) days prior to receipt of a valid invoice may not be paid, except in accordance with a milestone payment schedule. Should Contractor repeatedly over bill DMAS, DMAS may assess a one percent (1%) charge for the amount over billed for each month that such over billing continues.

If there are any disputed items, DMAS shall pay all undisputed charges and promptly notify Contractor in writing of any disputed amount. Contractor shall thereupon review its records, and, if it does not concur with DMAS, provide DMAS with documentation to support the charge. If such charges remain in dispute, such dispute shall be resolved in accordance with the Dispute Resolution section of this Contract. In the absence of the Contractor's written evidence identifying the merit of the disputed amounts, DMAS may not pay the disputed amounts and may consider the matter concerning the specific identified amounts closed. All payment terms are net 30 days after acceptance.

12. REPORTING
Small Business Subcontracting and Evidence of Compliance - Each prime Contractor who wins an award in which provision of a small business subcontracting plan is a condition of the award, shall deliver to DMAS on a quarterly basis, evidence of compliance (subject only to insubstantial shortfalls and to shortfalls arising from subcontractor breach) with the small business subcontracting plan. When such business has been subcontracted to these firms and upon completion of the Contract, the Contractor agrees to furnish the DMAS SBE Champion at a minimum the following information: name of firm, phone number, total dollar amount subcontracted, category type (small, women-owned, or minority-owned), and type of product or service provided. Payment(s) may be withheld until compliance with the plan is received and confirmed by the agency or institution. DMAS reserves the right to pursue other appropriate remedies to include, but not be limited to, termination for breach.

13. COMPETITIVE PRICING
Contractor warrants and agrees that each of the charges, economic or product terms or warranties granted pursuant to this Contract are comparable to or better than the equivalent charge, economic or product term or warranty being offered to any commercial or government customer of Contractor. If Contractor enters into any arrangements with another customer of Contractor to provide Services under more favorable prices, as the prices may be indicated on Contractor's current U.S. and International price list or comparable document, then this Contract shall be deemed amended as of the date of such other arrangements to incorporate those more favorable prices, and Contractor shall immediately notify DMAS of such change.

14. CONFIDENTIALITY

A. Treatment and Protection of Agency Confidential Information

Supplier shall (i) hold in strict confidence all Agency Confidential Information, (ii) use the Agency Confidential Information solely to perform or to exercise its rights under this Contract, and (iii) not transfer, display, convey or otherwise disclose or make available all or any part of such Agency Confidential Information to any third-party. Supplier shall take the same measures to protect against the disclosure or use of the Agency Confidential Information as it takes to protect its own proprietary or confidential information (but in no event shall such measures be less than reasonable care).

B. Exclusions from Agency Confidential Information

The term "Agency Confidential Information" shall not include information that is:

i). in the public domain through no fault of Supplier or of any other person or entity that is similarly contractually or otherwise obligated;

ii). obtained independently from a third-party without an obligation of confidentiality to the Agency and without breach of this Contract;

iii). developed independently by Supplier without reference to the Agency Confidential Information; or

iv). required to be disclosed pursuant to a court order.

C. Return or Destruction of Agency Confidential Information

Upon the termination or expiration of this Contract or upon the earlier request of the disclosing Agency, Supplier shall (i) at its own expense, (a) promptly return to the disclosing Agency all tangible Confidential Information (and all copies thereof except the record required by law) of the disclosing Agency, or (b) upon written request from the disclosing Agency, destroy Confidential Information (whether tangible or intangible) and provide the disclosing Agency with written certification of such destruction, and (ii) cease all further use of the Agency's Confidential Information, whether in tangible or intangible form.

D. Supplier Confidential Information

Supplier acknowledges that the Commonwealth is subject to the Virginia Freedom of Information Act, § 2.2-3700 et seq.

The Commonwealth agrees that it shall not, and shall require its employees not to, knowingly divulge any data, material or information provided by or on behalf of Supplier under this Contract where the data, material or information is exempted from disclosure by the Virginia Freedom of Information Act, provided that Supplier invokes protection pursuant to the provisions of Virginia Code § 2.2-4342(F). If Supplier believes that information submitted to the Commonwealth pursuant to this Contract is excluded from the provisions of the Virginia Freedom of Information Act, Supplier shall submit a writing **prior to or at the time of submission** of such information which (i) invokes the protection of the applicable exemption set forth in the Code of Virginia; (ii) identifies the specific data or other materials to be protected, and (iii) states the reasons why protection is necessary. Any proprietary or trade secret material submitted must be identified by some distinct method such as highlighting or underlining and must indicate only the specific words, figures, or paragraphs that constitute trade secret or proprietary information.

15. INDEMNIFICATION AND LIABILITY

A. Indemnification

Contractor agrees to indemnify, defend and hold harmless the Commonwealth, DMAS, their officers, directors, agents and employees (collectively, "Commonwealth's Indemnified Parties") from and against any and all third party claims, demands, proceedings, suits and actions, including any related liabilities, obligations, losses, damages, assessments, fines, penalties (whether criminal or civil), judgments, settlements, expenses (including attorneys' and accountants' fees and disbursements) and costs (each, a "Claim" and collectively, "Claims"),

incurred by, borne by or asserted against any of Commonwealth's Indemnified Parties to the extent such Claims in any way relate to, arise out of or result from: (i) any intentional or willful misconduct or negligence of any employee, agent, or subcontractor of Contractor, (ii) any act or omission of any employee, agent, or subcontractor of Contractor, (iii) breach of any representation, warranty or covenant of Contractor contained herein, (iv) any defect in the Services or Deliverables provided by Contractor, or (v) any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Services or Deliverables.   Selection and approval of counsel and approval of any settlement shall be accomplished in accordance with all applicable laws, rules and regulations. For state agencies the applicable laws include §§ 2.2-510 and 2.2-514 of the Code of Virginia. In all cases the selection and approval of counsel and approval of any settlement shall be satisfactory to DMAS.

In the event that a Claim is commenced against any of Commonwealth's Indemnified Parties alleging that use of any Deliverable or that the provision of Services under this Contract infringes any third party's intellectual property rights and Contractor is of the opinion that the allegations in such Claim in whole or in part are not covered by this indemnification provision, Contractor shall immediately notify DMAS in writing, via certified mail, specifying to what extent Contractor believes it is obligated to defend and indemnify under the terms and conditions of this Contract. Contractor shall in such event protect the interests of the Commonwealth's Indemnified Parties and secure a continuance to permit DMAS to appear and defend its interests in cooperation with Contractor as is appropriate, including any jurisdictional defenses DMAS may have.

In the event of a Claim pursuant to any actual or alleged infringement or misappropriation of any third party's intellectual property rights by any of the Services or Deliverables, and in addition to all other obligations of Contractor in this Section, Contractor shall at its expense, either (a) procure for DMAS the right to continue use of such infringing Services or Deliverables, or any component thereof; or (b) replace or modify such infringing Services or Deliverables, or any component thereof, with non-infringing products or services satisfactory to DMAS. And in addition, Contractor shall provide DMAS with comparable temporary replacement deliverables and services, or reimburse DMAS for the reasonable costs incurred by DMAS in obtaining alternative products and services in the event DMAS cannot use the affected Deliverable or benefit from the affected Services. If Contractor cannot accomplish any of the foregoing within a reasonable time and at commercially reasonable rates, then Contractor shall accept the return of the infringing component of the Services or Deliverable, along with any other components of any products rendered unusable by DMAS as a result of the infringing component, and refund the price paid to Contractor for such components.

16. SECURITY COMPLIANCE

Contractor agrees to comply with all provisions of the then-current Commonwealth of Virginia security procedures, published by the Virginia Information Technologies Agency (VITA) and which may be found at (http://www.vita.virginia.gov/library/ See Governance Publications) or a successor URL(s), as are pertinent to Contractor's operation. Contractor further agrees to comply with all provisions of DMAS' then-current security procedures as are pertinent to Contractor's operation and which have been supplied to Contractor by DMAS. Contractor shall also comply with all applicable federal, state and local laws and regulations. For all Contractor locations, security procedures may include but not be limited to records verification, photographing, and fingerprinting of Contractor's employees or agents. Contractor may, at any time, be required to execute and complete, for each individual Contractor employee or agent, additional forms which may include non-disclosure agreements to be signed by Contractor's employees or agents acknowledging that all DMAS information with which such employees and agents come into contact while at DMAS site is confidential and proprietary. Any unauthorized release of proprietary information by the Contractor or an employee or agent of Contractor shall constitute a breach of this Contract.   Contractor must perform background checks on all Contractor employees or agents at the Contractor's expense.

Contractor shall indemnify, defend, and hold the Commonwealth, Agency, their officers, directors, employees and agents harmless from and against any and all fines, penalties (whether criminal or civil), judgments, damages and assessments, including reasonable expenses suffered by, accrued against, or charged to or recoverable from the Commonwealth, Agency, their officers, directors, agents or employees, on account of the failure of Contractor to perform its obligations pursuant this Section.

17. IMPORT/EXPORT

Any product generated from any data collected, developed, analyzed, or otherwise used or obtained by Contractor pursuant to Contractor's performance of this Contract shall be considered Data Product.

Contractor shall not export or re-export any data collected, developed, analyzed, or otherwise used or obtained by Contractor pursuant to Contractor's performance of this Contract, or any Data Product, to any country, person, entity or end user subject to U.S. export restrictions. Contractor specifically agrees not to export, re-export, or download such data or Data Product: (a) to any country to which the U.S. has embargoed or restricted the export of goods or services, which currently include, but are not necessarily limited to Cuba, Iran, Iraq, Libya, North Korea, Sudan, Syria, Federal Republic of Yugoslavia, or to any national of any such country; (b) to any end-user who Contractor knows or has reason to know will utilize the data or Data Product or portion thereof in the design, development or production of nuclear, chemical, or biological weapons, or for any purpose which may, directly or indirectly, pose a security threat to the United States or its territories; or (c) to any end-user who has been prohibited from participating in U.S. export transactions by any federal agency of the U.S. government. Contractor is responsible for complying with local laws in Contractor's jurisdiction, as well as all federal and state laws and regulations regarding import and export, which might impact its right to import, export, or use the data or Data Product.

In addition, Contractor agrees that any data deemed "restricted" or "sensitive" by either federal or state authorities, must only be collected, developed, analyzed, or otherwise used or obtained by persons or entities working within the boundaries of the United States.

18. GENERAL PROVISIONS

A. Relationship between DMAS and Contractor

Contractor has no authority to contract for DMAS or in any way to bind or to commit DMAS to any agreement of any kind, or to assume any liabilities of any nature in the name of or on behalf of DMAS. Under no circumstances shall Contractor, or any of its employees, hold itself out as or be considered an agent or an employee of DMAS, and DMAS shall have no duty to provide or maintain any insurance or other employee benefits on behalf of Contractor or its employees. Contractor represents and warrants that it is an independent contractor for purposes of federal, state and local employment taxes and agrees that DMAS is not responsible to collect or withhold any federal, state or local employment taxes, including, but not limited to, income tax withholding and social security contributions, for Contractor. Any and all taxes, interest or penalties, including, but not limited to, any federal, state or local withholding or employment taxes, imposed, assessed or levied as a result of this Contract shall be paid or withheld by Contractor or, if assessed against and paid by DMAS, shall be reimbursed by Contractor upon demand by DMAS.

B. Incorporated Contractual Provisions

The then-current contractual provisions at the following URL are mandatory contractual provisions, required by law or by DMAS, and that are hereby incorporated by reference: http://www.vita.virginia.gov/uploadedFiles/SCM/StatutorilyMandatedTsandCs.pdf

The contractual claims provision §2.2-4363 of the Code of Virginia and the required eVA provisions at http://www.vita.virginia.gov/uploadedFiles/SCM/eVATsandCs.pdf are also incorporated by reference.

The then-current (at time of contract ratification) terms and conditions in documents posted to the aforereferenced URLs are subject to change pursuant to action by the legislature of the Commonwealth of Virginia, change in DMAS policy, or the adoption of revised eVA business requirements. If a change is made to the terms and conditions, a new effective date will be noted in the document title.

C. Compliance with the Federal Lobbying Act

Contractor's signed certification of compliance with 31 USC 1352 (entitled "Limitation on use of appropriated funds to influence certain federal contracting and financial transactions") or by the regulations issued from time to time thereunder (together, the "Lobbying Act") is incorporated as Exhibit B hereto.

D. Governing Law

This Contract shall be governed by and construed in accordance with the laws of the Commonwealth of Virginia without regard to that body of law controlling choice of law. Any and all litigation shall be brought in the circuit courts of the Commonwealth of Virginia. The English language version of this Contract prevails when interpreting this Contract. The United Nations Convention on Contracts for the International Sale of Goods and all other laws and international treaties or conventions relating to the sale of goods are expressly disclaimed. UCITA shall apply to this Contract only to the extent required by §59.1-501.15 of the Code of Virginia.

E. Dispute Resolution

In accordance with §2.2-4363 of the Code of Virginia, Contractual claims, whether for money or other relief, shall be submitted in writing to the public body from whom the relief is sought no later than sixty (60) days after final payment; however, written notice of the Contractor's intention to file such claim must be given to such public body at the time of the occurrence or beginning of the work upon which the claim is based. Pendency of claims shall not delay payment of amounts agreed due in the final payment. The relevant public body shall render a final decision in writing within thirty (30) days after its receipt of the Contractor's written claim.

The Contractor may not invoke any available administrative procedure under §2.2-4365 of the Code of Virginia nor institute legal action prior to receipt of the decision of the relevant public body on the claim, unless that public body fails to render its decision within thirty (30) days. The decision of the relevant public body shall be final and conclusive unless the Contractor, within six (6) months of the date of the final decision on the claim, invokes appropriate action under §2.2-4364, Code of Virginia or the administrative procedure authorized by §2.2-4365, Code of Virginia.

Upon request from the public body from whom the relief is sought, Contractor agrees to submit any and all contractual disputes arising from this Contract to such public body's alternative dispute resolution (ADR) procedures, if any. Contractor may invoke such public body's ADR procedures at any time and concurrently with any other statutory remedies prescribed by the Code of Virginia.

In the event of any breach by a public body, Contractor's remedies shall be limited to claims for damages and Prompt Payment Act interest and, if available and warranted, equitable relief, all such claims to be processed pursuant to this Section. In no event shall Contractor's remedies include the right to terminate any license or support services hereunder.

F. Advertising and Use of Proprietary Marks

Contractor shall not use DMAS' name or refer to DMAS, directly or indirectly, in any press release or formal advertisement without receiving prior written consent of DMAS. In no event may Contractor use a proprietary mark of DMAS without receiving the prior written consent of DMAS.

G. Notices

Any notice required or permitted to be given under this Contract shall be in writing and shall be deemed to have been sufficiently given if delivered in person, or if deposited in the US mails, postage prepaid, for mailing by registered, certified mail, or overnight courier service addressed

to the addresses shown on the signature page. DMAS or Contractor may change its address for notice purposes by giving the other Party notice of such change in accordance with this Section.

H. No Waiver
Any failure to enforce any terms of this Contract shall not constitute a waiver.

I. Assignment
This Contract shall be binding upon and shall inure to the benefit of the permitted successors and assigns of DMAS and Contractor. Contractor may not assign, subcontract, delegate or otherwise convey this Contract, or any of its rights and obligations hereunder, to any entity without the prior written consent of DMAS, and any such attempted assignment or subcontracting without consent shall be void. DMAS may assign this Contract to any entity, so long as the assignee agrees in writing to be bound by the all the terms and conditions of this Contract.

If any law limits the right of DMAS or Contractor to prohibit assignment or nonconsensual assignments, the effective date of the assignment shall be thirty (30) days after the Contractor gives DMAS prompt written notice of the assignment, signed by authorized representatives of both the Contractor and the assignee. Any payments made prior to receipt of such notification shall not be covered by this assignment.

J. Captions
The captions are for convenience and in no way define, limit or enlarge the scope of this Contract or any of its Sections.

K. Severability
Invalidity of any term of this Contract, in whole or in part, shall not affect the validity of any other term. DMAS and Contractor further agree that in the event such provision is an essential part of this Contract, they shall immediately begin negotiations for a suitable replacement provision.

L. Survival
The provisions of this Contract regarding License, Rights To Work Products, Warranty, Confidentiality, Liability and Indemnification, and the General Provisions shall survive the expiration or termination of this Contract.

M. Force Majeure
No Party shall be responsible for failure to meet its obligations under this Contract if the failure arises from causes beyond the control and without the fault or negligence of the non-performing Party. If any performance date under this Contract is postponed or extended pursuant to this section for longer than thirty (30) calendar days, DMAS, by written notice given during the postponement or extension, may terminate Contractor's right to render further performance after the effective date of termination without liability for that termination.

N. Remedies
The remedies set forth in this Contract are intended to be cumulative. In addition to any specific remedy, DMAS reserves any and all other remedies that may be available at law or in equity.

O. Access To and Retention of Records
In addition to the requirements outlined below, the Contractor must comply, and must require compliance by its subcontractors with the security and confidentiality of records standards.

1) Access to Records - DMAS, the Centers for Medicare and Medicaid Services, state and federal auditors, or any of their duly authorized representatives shall have access to any books, fee schedules, documents, papers, and records of the Contractor and any of its subcontractors. Access to records includes any records that are stored offsite.

DMAS, the Centers for Medicare and Medicaid Services, state and federal auditors, or any of their duly authorized representatives, shall be allowed to inspect, copy, and audit any of the

above documents, including, medical and/or financial records of the Contractor and its subcontractors.

2) Retention of **Records -** The Contractor shall retain all records and reports relating to this Contract for a period of six (6) years after final payment is made under this Contract or in the event that this Contract is renewed six (6) years after the final payment. When an audit, litigation, or other action involving or requiring access to records is initiated prior to the end of said period, however, records shall be maintained for a period of six (6) years following resolution of such action or longer if such action is still ongoing. Copies on microfilm or other appropriate media of the documents contemplated herein may be substituted for the originals provided that the microfilming or other duplicating procedures are reliable and are supported by an effective retrieval system which meets legal requirements to support litigation, and to be admissible into evidence in any court of law.

The Contractor shall not have the right to audit, or require to have audited, DMAS.

P. Offers of Employment
During the first twelve (12) months of the Contract, should Contractor hire an employee of Agency who has substantially worked on any project covered by this Contract without prior written consent, the Contractor shall be billed for fifty percent (50%) of the employee's annual salary in effect at the time of termination.

Q. HIPAA Compliance
The Contractor shall comply, and shall ensure that any and all subcontractors comply, with all state and federal laws and regulations with regards to handling, processing, or using Health Care Data. This includes but is not limited to the Health Insurance Portability and Accountability Act of 1996 (HIPAA) regulations as it pertains to this agreement, and the Contractor shall keep abreast of the regulations. Since this is a federal law and the regulations apply to all health care information, the Contractor shall comply with the HIPAA regulations at no additional cost to DMAS. The Contractor shall also be required to enter into a DMAS-supplied HIPAA Business Associate Agreement with DMAS to comply with the regulations protecting Health Care Data. A template of this Agreement is available on the DMAS Internet Site. (http://www.dmas.virginia.gov/hpa-home.htm#Agreements).

R. Access to Premises
The Contractor shall allow duly authorized agents or representatives of the state or federal government, during normal business hours, access to Contractor's and subcontractors' premises, to inspect, audit, monitor or otherwise evaluate the performance of the Contractor's and subcontractor's contractual activities and shall forthwith produce all records requested as part of such review or audit. In the event right of access is requested under this section, the Contractor and subcontractor shall, upon request, provide and make available staff to assist in the audit or inspection effort, and provide adequate space on the premises to reasonably accommodate the state or federal personnel conducting the audit or inspection effort. All inspections or audits shall be conducted in a manner as will not unduly interfere with the performance of Contractor or subcontractor's activities. The Contractor shall be given thirty (30) calendar days to respond to any preliminary findings of an audit before the Department shall finalize its findings. All information so obtained will be accorded confidential treatment as provided under applicable law.

DMAS, the Office of the Attorney General of the Commonwealth of Virginia, the federal Department of Health and Human Services, and/or their duly authorized representatives shall be allowed access to evaluate through inspection or other means, the quality, appropriateness, and timeliness of Services performed under this Contract.

S. Performance Bond
The Contractor shall deliver to the DMAS Contracts Management office an executed performance bond, in a form acceptable to DMAS with DMAS as obligee. The surety shall be a surety company or companies approved by the State Corporation Commission to transact business in

the Commonwealth of Virginia. The successful Contractor shall obtain the required performance bond in form and substance acceptable to the Commonwealth and provide it to the Commonwealth no later than the Contract Effective date detailed in the Contract. The successful Contractor must meet this performance bond requirement by providing the Commonwealth (as required) a performance bond covering the entire Contract period including all options to extend the Contract. The performance bond includes the Takeover period of the Contract (ending June 30th 2010) for the amount equal to 25% of the Implementation fee (Takeover price), and, thereafter, a new annual (or re-issued) performance bond equal to 25% of the annual estimated contract amount covering each subsequent annual period of the Operations Phase of the Contract. The Contractor must provide annual (or re-issued) performance bonds to the Commonwealth no later than June 30th preceding the annual covered period beginning on July 1st of each year of the Operations Phase. Failure to provide to the Commonwealth the performance bond equal to 25% of the annual estimated contract amount as required prior to the Contract Effective date and, as applicable in the case of an annual performance bond, no later than June 30th preceding each annual covered period beginning on July 1st each year of the Operations Phase, shall result in DMAS' option to terminate the Contract. The successful Contractor shall make all necessary arrangements for the performance bond prior to the Contract Effective date and prior to any subsequent performance bond deadlines in the case of an annual performance bond. The Commonwealth will not assist the Contractor securing the services of any fidelity or guaranty underwriter. **Failure to adhere to the requirements of this Contract shall result in DMAS' option to terminate the Contract as a material breach of the Contract.**

T. Entire Contract
The following documents, including all subparts thereof, are attached to this Contract and are made a part of this Contract for all purposes:
i).   This signed form and all named Exhibits and Attachments;
ii). DMAS Request for Proposal (2008-02), dated August 13, 2008 as amended;
iii). DMAS fully executed Business Associate Agreement (BAA) dated _____;
iv). The Contractor's Proposal dated _____ and negotiated modifications to the Proposal detailed in the letter from _____ dated _____, all of which are incorporated herein.

This Contract and its Exhibits constitute the entire agreement between DMAS and Contractor and supersede any and all previous representations, understandings, discussions or agreements between DMAS and Contractor as to the subject matter hereof. The provisions of the Virginia Department of General Services, Division of Purchases and Supply Vendor's Manual shall not apply to this Contract. This Contract may only be amended by an instrument in writing signed by DMAS and Contractor. DMAS and Contractor each acknowledge that it has had the opportunity to review this Contract and to obtain appropriate legal review if it so chose.

Executed as of the last date set forth below by the undersigned authorized representatives of DMAS and Supplier.

Contractor   DMAS

By: _____   By: _____

(Signature)   (Signature)

Name: _____   Name: _____

(Print)   (Print)

Title: _____   Title: _____

Date: _____   Date: _____

Address for Notice: Address for Notice:

_____   _____

_____   _____

_____   _____